





AMERICAN TOPICS

Chicago Is Haunted  
By Ghost of Capone

Al Capone went to prison more than half a century ago, but an unending flow of books, articles, television dramas and films, including the current hit movie "The Untouchables," has kept the world aware of Chicago's gangland days.

Neal Ball of the Chicago tourist bureau says this "bang-bang" image is keeping foreign tourists away. Chicago draws barely 300,000 international travelers a year, about 10 percent as many as New York.

Mr. Ball says part of the problem may be Chicago's mid-continent location. But he told The New York Times that Chicago should either put its bang-bang image "behind us, or let's package it." He says, "When the Japanese go to Texas" to see cowboys. "Texas shows them Chicago is have a museum of crime and corruption."

Mayor Harold Washington himself says with a grin that he longs for the day that people who reply "Al Capone — rat-a-tat-tat" when they meet someone from Chicago will ask instead, "How's Harold?"



**JURY AWARD IN SLASHING** — Marla Hanson, a New York model, was awarded \$78 million in damages by a jury in Manhattan for a razor attack last year in which her face was permanently scarred. Her two attackers, however, and the man who was convicted of hiring them said they had no money to pay Ms. Hanson.

Short Takes

Four of the five largest U.S. fast-food operations — McDonald's, Burger King, Kentucky Fried Chicken and Wendy's — have agreed to stop using containers made with chlorofluorocarbons, chemicals that scientists say hurt the Earth's ozone layer. The environmental group Friends of the Earth said only the Roy Rogers chain had not responded to its appeal.

A defense attorney for Bernhard H. Goetz, New York's so-called subway vigilante, said the city probation department had recommended a sentence of no prison time for his client. Mr. Goetz, 39, was convicted in June of a felony gun charge, which carries a maximum seven-year sentence, but was cleared in the 1984 shooting of four teen-agers. He said he thought they were going to rob him. The probation report is not binding but often carries considerable weight. Sentencing is set for Oct. 7.

The rich and the poor give proportionately more to charity than the middle class, according to an

academic study in which the U.S. Treasury participated. An analysis of federal tax returns for 1971-75 showed that taxpayers making \$5,000 to \$10,000 a year gave 3.5 percent of that to charity. Those earning \$20,000 to \$50,000 gave 2.2 percent while those with incomes of \$1 million or more averaged 6.4 percent.

The industrial city of Bridgeport, Connecticut, held an essay contest on its tourist attractions, such as they are, and awarded first prize, a free weekend in town, to Jim Bahoosh, who wrote, "Picnics in a field of waist-high wildflowers? Telling lies by firelight in the midst of cascading mountains? Slipping upstream, ankles icy, sun soaking into your tanned shoulders? Hah! No way. This is allergy season. Send me someplace where nothing grows. Send me to Bridgeport."

Notes About People

Elizabeth Taylor is the star of a \$10 million promotional campaign for a new perfume, "Elizabeth Taylor's Passion," by Parfums International of New York. Miss Taylor, 55, who has been married seven times, was asked at a Washington promotion, "What made you decide to get into the Passion business?" The actress replied, "I've been in that a long time. You mean the perfume business."

Alexander M. Haig Jr., who is seeking the Republican presidential nomination, presented Washington reporters with Chinese fortune cookies. Inside were such messages as "Cookie is Delectable, Haig is Electable" and "Your Next Visit with Al and Pat Haig will be at 1600 Penn. Ave.," the address of the White House. — ARTHUR HIGBEE

Israeli Request Called Key to U.S.-Iran Arms Deals

By Walter Pincus  
Washington Post Service

WASHINGTON — In May 1985, the White House secretly approved an Israeli request to send Iran a one-time shipment of artillery shells or artillery pieces to begin what eventually grew into the Iran-contra affair, according to testimony released by the House-Senate investigating committees.

In closed-door testimony that was made public Monday, a former National Security Council consultant, Michael A. Ledeen, related

that then-Prime Minister Shimon Peres of Israel, in a May 1985 meeting, told him of Iran's request for the military equipment but that "Peres would not do this unless he had explicit American approval for it."

At the time, U.S. policy, under Operation Staunch, was to discourage the sale of arms to Iran in hopes of getting that country to agree to end the Iran-Iraq war.

Within a week, Mr. Ledeen told the committees, Robert C. McFarlane, then the president's national

security adviser, told him "to inform the Israelis that that was okay, but just that one shipment and nothing else."

Two months later, however, according to Mr. Ledeen's account, another Israeli representative, Mr. Peres talked to him about a suggestion that U.S.-made TOW missiles could be sold to Iran as part of a plan to release U.S. hostages held in Lebanon and establish a new relationship between Tehran and Washington.

By October, Mr. Ledeen testified, the Israelis were discussing with him the possible use of profits from the sales to pay an Iranian official who wanted to change the government. He said the Iranian middleman in the deal, Manucher Ghorbanifar, had paid the official \$300,000 from his share of the first arms sales.

In addition, the official, whom Mr. Ledeen described as wanting to change the Iranian regime by parliamentary means, asked for small arms, automatic rifles and possibly silencers so that he could "protect him and his allies."

Later that month, Mr. Ledeen said, the Israeli gave him a Swiss bank account number to be used to handle these expenses.

Mr. Ledeen's testimony, given to the committees in four days of closed-door questioning, provided other new details on how the Iran arms initiative began.

The disclosures include Mr. Ledeen's recollection that Mr. McFarlane told him twice that President Ronald Reagan had approved the initial Israeli shipments of U.S.-made TOWs before they were sent. Mr. Reagan told the review board headed by former Senator John G. Tower that he could not remember when he approved the deal, and his chief of staff at the time, Donald T. Regan, has testified that the president did not learn of the shipments until after they had occurred and the Reverend Benjamin Weir, a hostage, was released.

Mr. Ledeen insisted to the committee that after the initial arms shipment, he opposed the idea of arms for hostages but could not get other officials to back that stance. He said William J. Casey, then the CIA director, told him in December 1985 that although he agreed it was important to work to change the Tehran government, "We have to do the hostages matter first."

He also told how he met with David Kimche, director of the Israeli foreign ministry, on Aug. 20, 1985, to work out codes for use in delivery of hostages after the first 100 TOWs were delivered.

He then recounted that when no hostages appeared, another meeting was held in Paris on Sept. 4, 1985, where Mr. Ghorbanifar said the weapons had fallen into the hands of the wrong forces and the second shipment, this time 400 TOWs, would have to be sent before any release.

Weinberger Doubts CIA Book Claim

The Associated Press

WASHINGTON — Defense Secretary Caspar W. Weinberger said Tuesday that he did not believe that Bob Woodward could have had a peeked interview with William J. Casey, the late CIA director, as described in Mr. Woodward's book on the agency.

"I telephoned from time to time to the hospital," Mr. Weinberger said, adding that Mr. Casey's wife, Sophia, "would always tell me that it was not possible for Bill to talk but that she knew he would appreciate the fact that I called."

"The security, not only of his wife and family who were there with him all the time, but of the CIA itself, which is very close and very tight, I think that would've made that kind of thing just impos-

sible," Mr. Weinberger said on an ABC television news program.

Mr. Casey's daughter, Bennadette Casey Smith, appearing on the same show, said Mr. Woodward "never got the declassified confession" concerning Mr. Casey's involvement in the Iran-contra affair.

Mr. Woodward's assertion that Mr. Casey knew about the diversion of Iran arms sales profits to the Nicaraguan rebels also was questioned by a doctor quoted in a Washington Times newspaper article published Tuesday. The doctor reportedly said Mr. Casey was so impaired after his brain surgery that he could not have responded to Mr. Woodward's questions.

Mr. Woodward, an assistant managing editor of The Washington Post, describes the interview in his book, "VEIL: The Secret Wars of the CIA, 1981-1987," which went on sale Monday. Mr. Woodward said that when he asked Mr. Casey if he had known of the diversion, the ailing CIA director nodded in affirmation.

Mrs. Casey has disputed the account, saying she and other family members were with him 24 hours a day while he was hospitalized and that Mr. Woodward did not speak to Casey's hospital room when he talked to him as described.

Mr. Woodward has said he was able to enter Mr. Casey's room briefly with the help of a "source" at Georgetown University Hospital.

Poland Rejects U.S. Call for Change

By John Tagliabue  
New York Times Service

WARSAW — Poland on Tuesday flatly rebuffed U.S. urgings that it take steps toward economic and political pluralism, such as establishing independent trade unions, as a way of improving relations between the two countries.

Jerzy Urban, the government spokesman, rejected the idea that applying Western economic models would aid Poland.

"We are realistic," Mr. Urban said at his weekly news conference. "We know the dramatic economic situation prevailing in other politically and geographically close allies of the United States, who are applying American political solutions, such as political pluralism, and who have economic systems similar to the United States."

The rebuttal of the U.S. appeal, which was delivered Monday by Vice President George Bush in a live, uncensored television appearance, followed a U.S. decision to

help reschedule debt to Western governments.

Noting that the Polish government regarded Western assurances on its debt as "a first step on a constructive road," Mr. Urban said: "We are not asking for help, we are only asking for the normal treatment of Poland in international economic cooperation."

The clear public rejection came even before Mr. Bush left Poland. The vice president spent the day touring sites near Krakow.

At a news conference Tuesday morning, Mr. Bush summarized the experience of his four-day visit by saying he had "the distinct feeling that Poland has come out of a very difficult time, and that things are moving forward."

In his television appearance, Mr. Bush linked further improvement in U.S.-Polish ties to meaningful steps toward political and economic change, including the establishment of "self-governing organizations" for "the protection of workers' interests."

At his news conference, Mr. Urban said Poland envisaged the establishment of "socialist pluralism" within its economic and political system.

Asked whether such pluralism would permit reinstatement of independent labor unions, as Mr. Bush urged, he said, "We remember the times when such pluralism was set up in Poland, in the 1980s, and union pluralism existed."

Referring to the short-lived flourishing of Solidarity, he said: "This concrete experience is an experience that we assess negatively."

"The development of political life in Poland and of socialist pluralism," he said, "will not travel the road of resurrecting the long-dead political structures of 1980 and 1981, and particularly those that conducted confrontational policies and created for the country the dramatic situation that made it necessary to impose martial law."

The government's rejection of the U.S. appeal appeared to reflect disappointment over its failure to elicit a stronger commitment for aid in obtaining loans.

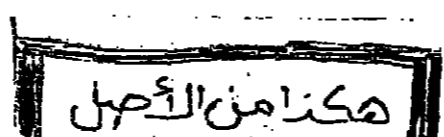
BAUME & MERCIER  
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70, fg Saint-Honore — Palais des Congrès, Porte Maillot  
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# Henry Ford 2d, the Automaker, Is Dead at 70

By John Holusha  
New York Times Service

DETROIT — Henry Ford 2d, 70, who took over his grandfather's founding company in 1945 and restored it to profitability, died Tuesday.

He was admitted to the hospital Sept. 12 for treatment of pneumonia, but his condition deteriorated as he developed heart and kidney problems.

"My name is on the building," he used to say to settle arguments.

It was more than that. His was one of the best-known names in the world. Each day it was stamped hundreds of thousands of times on metal, on paper, it glistened in neon and flashed in chrome around the world. Even in Russia and China, it stood for what it stood for in America. Ford meant cars.

He never forgot that. The hundreds of millions of dollars in his personal fortune could have bought a life of leisure. But first, last and always, Henry Ford 2d built cars.

He did not create the company. His grandfather did that. But as a youth, young Henry watched what remained of the company from his grandfather's aged hands and began to guide the industrial empire from the brink of collapse back to prosperity. Like his grandfather, as he grew older, he guarded his power jealously and eliminated those sides who came too close to it.

What would be the work of his life was sealed at his birth, and much his drama took place before he was 30. World War II had just ended when Henry Ford, backed by his mother and a few allies, seized control of the company.

By then his grandfather was probably senile. The grandfather's only son, Henry 2d's father, Edsel, was dead, and one by one, Ford's most competent executives were dismissed. The company was ap-

proaching ruin despite its giant size, losing almost \$9 million a month, and the senior Henry Ford seemed to be turning over control to an aide, Henry Bennett.

Eventually, the Ford women took action. The elder Henry Ford's wife, Clara, put pressure on him, and young Henry's mother threatened to sell her stock in Ford, which was a family-owned business then, unless her son was given control. On Sept. 21, 1945, the elder Henry Ford, 82, retired, and his grandson, only 28, took over.

The first thing he did was to fire Mr. Bennett.

Once Mr. Ford won control, he began the rebuilding, hiring talented men, and, to his credit, listening to their advice. The saving of Ford was the business miracle of the decade. Those who knew said the company was not just dying, it was already dead. But Mr. Ford had pluck and luck.

Even pluck and luck, however, were not enough to help him achieve his greatest goal. He could never catch the family's ancient rival, the General Motors Corp.

But he did have the satisfaction of watching those he put into power or finally beat GM, at least in a financial sense. Last year, with Henry 2d still exercising power behind the scenes as chairman of the board of directors' finance committee, Ford reported profits of \$2.3 billion to GM's \$2.95 billion. It was the first time since 1924 that Ford had beaten GM on the bottom line.

But in his early days at the helm it took 10 years of hard work, to rebuild Ford into an industrial power throughout the world. At the end of that decade, if it was not first in the automotive industry, Ford was a safe second and close enough to challenge from time to time. Stock was sold, and Ford had

become a modern, publicly owned corporation.

Yet it was structured so that the family, which meant Henry 2d, as it had meant his grandfather, maintained control. And only after the company was re-established did other sides of Henry Ford's character begin to emerge: Henry the social thinker, Henry the swifter, and later, Henry the autocrat.

His grandfather had been known for his social involvement, for the famous \$5-a-day wage that caught the imagination of the working man, for his efforts to uplift the lives of the working class, for his Peace Ship mission to Europe to try to end World War I, and for his readiness to give jobs to blacks when segregation was a way of life in America.

But as Henry Sr. aged, his idealism soured. The \$5 day turned into beatings of union organizers. Social uplift turned into spying on workers. Pacifism became associated with his anti-Roosevelt, pro-German feelings as World War II approached, and his friendly attitude toward blacks was matched by his hatred of Jews.

But young Henry wiped the words "bigot" and "anti-labor" from the Ford image. When racial riots spread across America in the 1960s, particularly after the Detroit riot of 1967, Henry Ford was the outstanding business spokesman calling for a new deal for blacks.

He oversaw the creation of the modern Ford Foundation dedicated to curing social ills and reforming society. Henry at first stood up for the liberal approach of the foundation's efforts, but he lost control of the board and finally, in 1977, quit in disgust, complaining that it had an anti-capitalist bias.

His private life became newsworthy as his marriage to Anne McDonnell, the mother of his chil-

dren, faded in the late 1950s, particularly after he met Cristina Austin, the divorced wife of a British naval officer.

In 1963, Henry and his wife formally separated. In 1964 he was divorced — a large settlement was believed to be involved — and in 1965 he married Mrs. Austin.

Henry had become a member of the jet set and was seen from Acapulco to the Riviera.

The late 1970s were bad times for Henry Ford. There were colorful but uncomplimentary stories of the personal lives of Henry Ford and Cristina. There was a suit by stockholders represented by Roy M. Cohn, who was also Cristina's lawyer, charging that Mr. Ford took bribes and used company money as his own. There were troubles with Ford cars: Pintos that burned, automatic transmissions that slipped into reverse by themselves, bodies that rusted.

Beyond this, Henry Ford's desire to keep his power in the company brought him into conflict with his sides — a situation not unlike that at Ford in his grandfather's day. For whatever Henry Ford's outside interests might have been, the company was his life and his kingdom.

In 1978 he dismissed another president, Lee A. Iacocca.

Mr. Iacocca came from nowhere in the early 1960s and led the Ford recovery from the Edsel debacle by creating the car that caught the imagination of a decade: the Mustang.

On May 10, 1979, at the annual shareholders' meeting, Henry Ford 2d said that he would retire as chief executive officer, effective later in the year.

Although he continued as a chairman of the board's finance committee until his death, he largely left the management of the company to his successors.

## Daugherty, U.S. Football Coach, Dies

*The Associated Press*  
EAST LANSING, Michigan — Hugh D. (Duffy) Daugherty, 72, who guided Michigan State University's football program to national prominence and two Big Ten titles in 19 years with the school, died Friday in California.

Nick Vista, the university's sports information director, said Mr. Daugherty had died at Santa Barbara Cottage Hospital, where he was hospitalized Aug. 23 with heart and kidney problems.

He came to Michigan State in 1947 as an assistant to Coach Clarence (Biggie) Munn. He replaced Mr. Munn as head coach in 1954.

During his tenure, Mr. Daugherty compiled a record of 109-69-5. His 1965 and 1966 teams went 19-1-1 and won the Big Ten title with

such stars as Gene Washington, Bubba Smith and Clint Jones.

Born in Emesh, Pennsylvania, Mr. Daugherty grew up in Barnesboro, Pennsylvania, and attended Syracuse University, where he played three seasons and was captain of the team in 1939, when he was a senior. He served in the U.S. Army during World War II, advancing from private to major and winning the Bronze Star. He returned to Syracuse as a coach before going to Michigan State in 1947.

He was a line coach at Syracuse under Mr. Munn in 1946 and came to Michigan State with him on Jan. 1, 1947. Mr. Daugherty guided the lines that earned the nickname Duffy's Tougies when the Munn teams went 54-9-2.

**Drew (Bundini) Brown, Trained Muhammad Ali**

NEW YORK (NYT) — Drew (Bundini) Brown, 57, who worked as a cornerman and assistant trainer for Muhammad Ali throughout the former heavyweight champion's boxing career, died Thursday at Good Samaritan Hospital in Los Angeles. Mr. Brown was said to have undergone surgery earlier in the week.

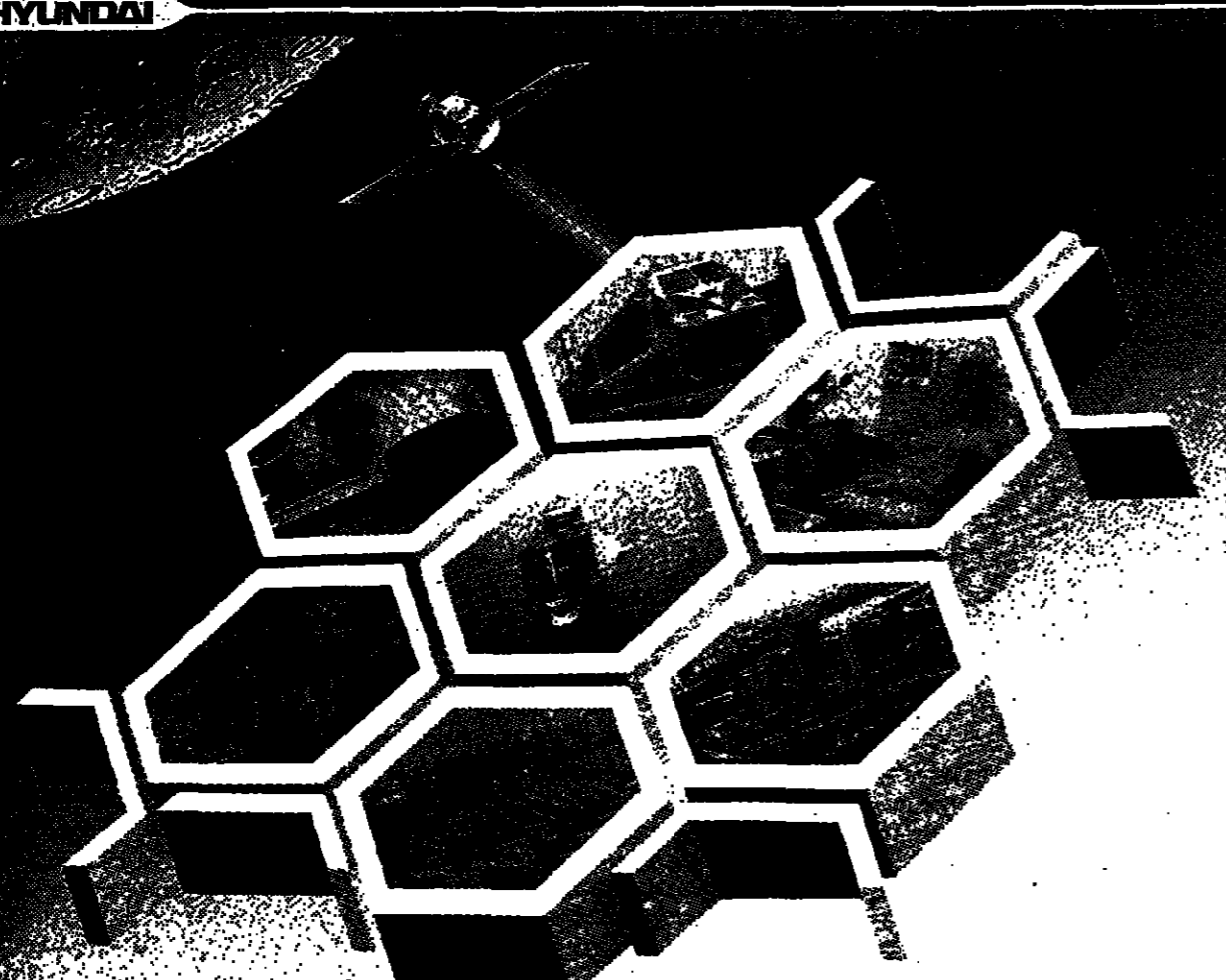
Mr. Brown joined the entourage of Mr. Ali in the early 1960s when the young boxer was known as Cassius Clay. He was credited with originating the champion's famous battle cry, "Float like a butterfly, sting like a bee."

Mr. Brown also appeared as an actor in several films, including "Shaft" and "The Color Purple."

### DEATH NOTICES

M. et Mme Joseph Beherman ont la profonde douleur de vous faire part du décès de leur fils  
**THIBERY STANLEY BEHERMAN** né à Wilrijk/Avvers le 7 novembre 1930 et décédé à Rome le 25 septembre 1987 ainsi des noces de notre Mère la Sainte Eglise.  
Le service religieux sera célébré le vendredi 2 octobre 1987 à 11 heures en l'Eglise Abbatale de la Cambre à Bruxelles.  
Il sera suivi de l'inhumation dans le cimetière de famille au cimetière Schoonselhof à Avvers.

**VAHA AND IRENE DAVIDERIANIAN** announce with their deepest sorrow the passing away of their beloved father.  
Service will be held at: Armenian Apostolic Church of St. John 15 rue Jeanne Croquet, Paris 8th on Thursday, 1st October 1987 at 2 p.m.




## The Honeycomb's Symmetry Reflects Hyundai's Business Philosophy

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## OIL & MONEY

### THE CHALLENGE OF THE 1990's

THE EIGHTH ANNUAL INTERNATIONAL HERALD TRIBUNE/OIL DAILY CONFERENCE, LONDON OCTOBER 22-23, 1987

THE program is designed to assist senior executives in the petroleum industry and related fields to determine their business strategies into the 1990's. The Honorable John S. Herrington, Secretary of Energy, United States, H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt, H.E. Rilwanu Lukman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference, H.E. Arne Oien, Minister of Petroleum and Energy, Norway and The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom will head a distinguished group of energy and financial leaders from around the world.

Senior Executives wishing to attend the conference should complete and mail the registration form today.

<p><b>OCTOBER 22</b></p> <p><b>UNITED STATES ENERGY POLICY</b> The Honorable John S. Herrington, Secretary of Energy, United States</p> <p><b>CHALLENGE OF THE 1990's: A CORPORATE VIEW</b> John E. Hall, Chairman and Chief Executive Officer, Amstar Oil Inc. Philip Oxley, Chairman, Innesco Europe Ltd Nader Salim, President, Kuwait Petroleum International Ltd.</p> <p><b>GLOBAL DEMAND AND SUPPLY: AN OVERVIEW</b> John H. Licheblau, President, Petroleum Industry Research Foundation. Respondent: Hermann T. Franzen, Economic Advisor of H.E. The Minister of Petroleum and Minerals of the Sultanate of Oman</p> <p><b>BREAKOUT GROUPS (These three sessions will run concurrently)</b></p> <p><b>NORTH AMERICAN MARKET</b> Theodore R. Eck, Chief Economist, Amoco Corporation Milton Lighton, President, W.J. Levy Consultants Corporation</p> <p><b>THE EUROPEAN OUTLOOK</b> Giuseppe Briggioni, Executive Vice-President, AGIP SpA Ted White, Managing Director, Petroleum Economics Ltd</p> <p><b>THE PACIFIC OUTLOOK</b> Dennis J. O'Brien, Chief Economist, OPEC Petroleum Corporation</p> <p><b>LUNCH</b></p> <p><b>THE OUTLOOK FOR THE UNITED KINGDOM'S PETROLEUM INDUSTRY</b> The Rt. Hon. Cecil Parkinson M.P., Secretary of State for Energy, United Kingdom</p> <p><b>MARKET FORCES IN CHARGE OF SUPPLY MANAGEMENT</b> John Deans, Chairman, Transworld Oil Ltd.</p> <p><b>ENERGY SECURITY AND THE MIDDLE EAST</b> <b>GEOGRAPHICAL OUTLOOK</b> Charles Dibona, President, The American Petroleum Institute George Quincey Lutensden, Director, Oil Market Development, International Energy Agency Mehdi Vaziri, Senior Analyst, Kleinwort Orléans &amp; Co. Moderator: Robert Mabro, Director, Oxford Institute for Energy Studies.</p>	<p><b>OCTOBER 23</b></p> <p><b>MINISTERIAL PRESENTATIONS AND DISCUSSIONS</b> H.E. Rilwanu Lukman, Minister of Petroleum Resources, Nigeria, President of the OPEC Conference H.E. Arne Oien, Minister of Petroleum and Energy, Norway H.E. Abd al-Hadi Muhammad Kandil, Minister of Petroleum and Mineral Resources, Egypt Moderator: Hermann T. Franzen, Economic Advisor of H.E. The Minister of Petroleum and Mineral Resources of the Sultanate of Oman</p> <p><b>THE WORLD ECONOMY'S RETURN TO NORMAL GROWTH</b> Stephen Morris, Senior Fellow, Institute for International Economics, former Chief Economist, O.E.C.D. Respondent: Timothy Coaglion, Chief U.K. Economist, Schroeder Lehman Brothers</p> <p><b>BREAKOUT GROUPS (These three sessions will run concurrently)</b></p> <p><b>FINANCING EXPLORATION AND DEVELOPMENT</b> Jean Claude Balascan, Director General, Institut Français du Pétrole David Parker, Manager, Project Finance Unit, National Westminster Bank</p> <p><b>THE FINANCIAL HEALTH AND PROSPECTS OF THE OIL INDUSTRY</b> Dillard Springs, President, Petroleum Analysis Ltd.</p> <p><b>CHINA: PROSPECTS FOR OIL DEVELOPMENT</b> Kim Woodard, President, China Energy Ventures</p> <p><b>LUNCH</b></p> <p><b>FINANCIAL STRATEGIES FOR THE OIL INDUSTRY: NEW INSTRUMENTS AND MARKETS</b> Rudney E. Chase, Group Treasurer, B.F. Finance International R. Hartwell Gardner, Treasurer, Mobil Oil Corporation Robert B. Wewers, Senior Vice-President, Global Energy Executive, The Chase Manhattan Bank, N.A.</p> <p><b>INFORMAL PANEL DISCUSSION</b> Moderator: Nicholas G. Voita, Oil Consultant, London and The Hague</p>
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**REGISTRATION INFORMATION**  
The fee is £595 (plus VAT @ 15% £694.25, total £849.25) or the equivalent in a convertible currency for each participant. This includes lunches, a cocktail reception and post-conference documentation. Fees are payable in advance of the conference and will be returned (less £50 administration charge) for any cancellation postmarked on or before October 12. Cancellations postmarked later than October 12 will be charged the full fee. Substitutions may be made at any time. Please return the registration form to: International Herald Tribune, Conference Office, 63 Long Acre, London WC2E 9JH, or telephone (441) 379 4302 or telex 262009.

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Royal Garden Hotel, Kensington High Street, LONDON W8 4PT. Telephone (441) 937 8000. Telex: 263151. A limited number of rooms has been reserved for participants at preferential rates. Reservations must be received by October 5. Please contact the hotel directly.

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# Kinnock Urges Party to Learn From Defeat and Change Policy

By Karen DeYoung  
*Washington Post Service*  
BRIGHTON, England — The Labor Party leader, Neil Kinnock, called Tuesday on his party to learn the lessons of a third straight electoral defeat and to modernize its policies to appeal to a broader portion of the electorate.

Calling for a "rigorous reassessment across the whole field of our policies," Mr. Kinnock made clear in his keynote speech to the annual party conference here that neither Labor's proposed unilateral nuclear disarmament nor its commitment to state ownership of industry were immune from review.

At the same time, he called on leftist activists to subside their criticisms and join the party mainstream or risk further narrowing Labor's appeal.

From now on, he said, all party efforts must be undertaken "in the clear and certain knowledge that we address many people who need to be convinced if they are to make the shift to supporting us, people who need to be certain that their trust in our common purpose and common sense is fully justified."

The conference, the first since the general election in June brought a big victory to Prime Minister Margaret Thatcher and a continuation of her parliamentary majority.

The scale of Labor's defeat has led some political pundits to write the party's obituary.

Within the party itself, the loss has provoked a torrent of debate.

The argument is between those who maintain that what is needed is a move further to the left and the majority who believe, with Mr. Kinnock, that the only way forward is to analyze why Labor has failed to attract new voters, or even keep many of its old supporters, and change policy accordingly.

Part of Labor's problem has been that the bedrock of its support, Britain's traditional working class, is shrinking, with employment decreasing in heavy industry while it increases in service and high-tech industries.

However, the party's leftists have found it increasingly hard to argue with electoral figures showing that less than half of all semiskilled and unskilled workers, and an even smaller percentage of labor union members, voted for Labor.

Many of those workers believe that they have benefited from Mrs. Thatcher programs, which have al-

lowed them to purchase the public housing units in which they live and which have offered some of the country's largest state-owned enterprises for sale to anyone with the money to buy a single share.

Labor also seemed unable during the election campaign to capitalize on its strengths, including the widespread belief of many voters that Mrs. Thatcher was "uncaring" about things like unemployment and the continuation of the National Health Service.

Many voters perceived the party as disorganized, fractious and incapable of putting its commitment to the collective good into efficient practice.

This week's conference was planned by the leadership to capitalize on the membership's despair over the election, and on Mr. Kinnock's sustained popularity, to inaugurate a series of organizational and policy changes.

In voting during Monday's opening sessions, Mr. Kinnock won changes limiting the power of leftist activists in the way local constituency parties select their parliamentary candidates. Also, the selection of new members of the party's ruling National Executive Council increased the pro-Kinnock majority.

A third vote agreed to a no-holds-barred review of party policies.

In his speech Tuesday, Mr. Kinnock pledged that "we are not going to jettison our commitments" to socialism and collective provision of basic services.

"Nothing," he said, "would more deserve the charge of cynicism or sabotage credibility than to make a bonfire of everything we stood for" during the last election.

But the party, he said, had to face new "social realities" that included increased home ownership,

earlier retirement and "many more people owning shares."

Mr. Kinnock also congratulated the Reagan administration and the Soviet leadership for their progress toward arms control.

Labor strategists are hoping that a agreement to remove intermediate-range nuclear weapons from Europe, including U.S. cruise missiles based in Britain, will eliminate the need for the party to call for their removal.

In the past, Labor has been accused of endangering arms control negotiations by offering to unilaterally give up Britain's independent nuclear force.

Mr. Kinnock said Tuesday only to ensure that we have policies that are capable of dealing with the changed conditions of the 1990s in a way that will enhance the prospect of removing reliance on nuclear weapons.

# Taiwan Reporters Find China 'Strange' and Sad

By Nicholas D. Kristof  
*New York Times Service*

TAIPEI — For the last two weeks, a newspaper here has been publishing accounts of a neighboring land where people look familiar but live in different, and sad, circumstances.

"People have the same faces as we have," one dispatch read, "but this place seems strange and remote."

The Independent Evening Post, a major Taiwan newspaper, has defied a government ban on travel to mainland China by sending two reporters to roam the mainland and report their impressions.

The two reporters, Lee Yung-teh, 33, and Hsu Lu, 30, arrived in Beijing on Sept. 14.

"It was like a different world," they said in a dispatch shortly after arriving in Beijing. "The streets were lined with the crude shops that you would not see in the remotest parts of Taiwan. They were selling the most old-fashioned goods and clothes imaginable."

So far the two journalists have embarrassed both Taipei and Beijing.

ing, and their trip is regarded in Taiwan as a milestone in the evolution of the government's policies and in the way China is portrayed in Taiwan's press.

Ever since China's civil war ended in 1949 with the establishment of a Communist government and the retreat of the Nationalists to Taiwan, residents of Taiwan have been banned from visiting or communicating with the mainland.

The Nationalist government has said it will lift the ban on travel to the mainland as soon as details can be worked out, probably within a few weeks, and anticipation is palpable that Taiwan residents will

soon be allowed to visit their relatives.

However, a government official has said that easing of the ban will not affect trips for journalistic purposes.

Mr. Lee and Ms. Hsu flew back to Taiwan on Sunday. Reuters reported from Taipei, and were told by the authorities that they and the publisher of the Independent Evening Post faced criminal charges punishable by up to three years in prison.

Chen Kuo-shiang, the newspaper's editor-in-chief, said he doubted the reporters would be punished. Even if they are penalized, he

said, at worst they would be prohibited from making trips abroad as journalists for one or two years.

If Taiwan has been embarrassed by the episode, so have the authorities in Beijing. While they hurriedly granted permission for the two journalists to visit the mainland, the visit has received scant attention in the Chinese press.

This may be because whenever the two reporters were interviewed, they were asked to make comparisons between Taiwan and the mainland. The answers were rarely flattering to the Communist authorities.



Residents of the neighborhood in Medellin, Colombia, that was destroyed by a landslide await news of family members as rescuers search for survivors and bodies of victims.

# Colombia Landslide Toll Put at 300

The Associated Press

MEDELLIN, Colombia — Rescue workers searching for bodies buried under a landslide that crashed down a mountain into a poor neighborhood here estimated Tuesday that the death toll had risen to 300, but the mayor feared it could reach 500.

The chief of the fire department, Pedro Nel Correa, said emergency crews had pulled 200 bodies from the tons of rubble, mud and rocks by Tuesday.

He estimated that 300 people died in the landslide Sunday, but Mayor William Faramillo Gomez said that estimate may be too low.

"The toll might be between 400 and 500," he said, "if we keep in mind that on Sundays the poor people tend to stay in their homes and there were lots of people in the houses that were covered by the landslide."

The landslide crushed about 60 houses near Sugar Loaf mountain in a shantytown in Medellin, Colombia's second-largest city.

The mayor said firefighters, civil defense workers and the Red Cross had been working for three days to find survivors and the bodies of victims.

"There is no possibility that

anyone might have survived," the mayor said.

Mr. Nel Correa said the approximate death toll figure was reached by estimating the number of people who lived in the houses destroyed or buried by the dirt and rocks. About 1,000 people lived in the destroyed neighborhood, officials said.

The landslide occurred when mountain streams swollen by rains overflowed their banks Sunday afternoon and sent water, mud and rocks down the side of the mountain.

Scores of children were reportedly among the victims.

# Australian Court Rejects Extension Of Spy Book Ban

Reuters

CANBERRA, Australia — Publication of a former counter-espionage agent's memoirs apparently can begin in Australia after a judge Tuesday rejected Britain's attempt to prolong a ban on the book.

The High Court judge, Sir William Deane, rejected Britain's request to prolong the ban on Peter Wright's book, "Spycatcher," the subject of a two-year legal wrangle in Australian courts.

Britain had asked the judge to prevent publication of the book until the outcome of a hearing by the full High Court, the country's highest legal body.

A date has not been set for the hearing, at which Britain is to ask the court to overturn a New South Wales Court of Appeal ruling Thursday that lifted a temporary injunction on "Spycatcher."

Britain says that Mr. Wright, who is retired, broke a life-long pledge of secrecy by writing the book about his service in the British intelligence network.

# South Africa Floods Kill at Least 50

Compiled by Our Staff From Dispatches

DURBAN, South Africa — Heavy flooding caused by five days of record rainfall has killed at least 50 people in Natal Province, police said Tuesday.

Roads and dams have been washed away, they said, and mud slides have buried people in black and Indian townships.

Durban, on the Indian Ocean, which has a population of more than a million, was virtually isolated, with road, rail and civil air links severed.

"We are sealed off in all directions," a police officer said Tuesday after the last surviving bridge fell into the Mgeni River.

Police estimated the death toll at

50 to 60 and warned people to move away from dams.

The weather bureau said Durban had received 15 inches (38 centimeters) of rain since Friday, breaking the record for September set 100 years ago.

President P.W. Botha ordered government departments to mount relief operations.

Five cars fell into the Tugela River and were swept away with their occupants when the John Ross Bridge collapsed on the main coastal highway north of Durban, witnesses said.

One of the areas worst hit was the port of Richard's Bay, north of Durban. A lifeboat was called out to rescue people from rooftops

there. Troops were also sent to help evacuate the town, where a state of emergency was declared.

Durban faced a water shortage after four aqueducts feeding purification plants were washed away.

Water board officials said supplies would dry up within 36 hours unless repairs were made.

Water rationing was imposed and supplies to 30 major industrial users were cut, shutting down most of Natal's 14 sugar mills.

Much of South Africa, which suffered years of drought in the early 1980s, has had heavy rain this month. Some areas reported snow for the first time in memory.

(Reuters, AP)

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# MIDDLE EAST BANKING AND FINANCE

Arab banking continues to modernize and expand at an impressive pace despite the Gulf crisis and is now an integral part of the world financial scene. In response to global securitization, many Arab banks have found partnerships in the main financial centers.

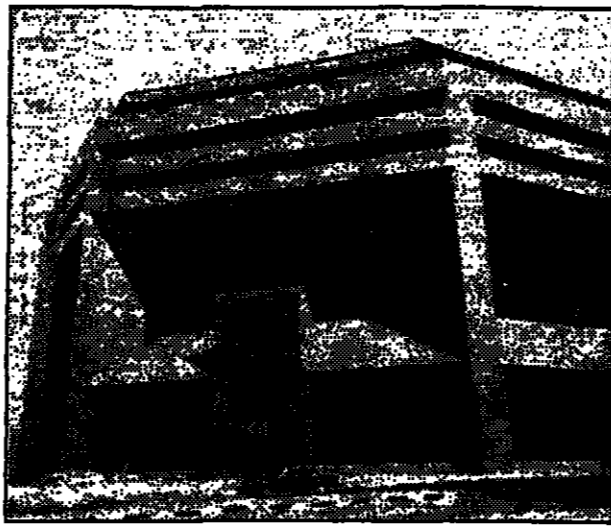
THE Gulf tanker war has altered public perceptions of the Middle East risk, but for international banks it is still very much business as usual. "We're doing very cordially with the Iranian banks," said a distinguished British banker at a meeting of the London-based Middle East Association, whose members trade actively with the region. In London, trade finance terms for Iraq are tighter than for Iranian importers, whose clearing base is Dubai, an Arab Gulf city with a population of more than 80,000 Iraqis.

The fundamentals affecting Arab banking have more subtle roots than the immediate Gulf crisis. The Arab banking community is now an integral part of the world financial picture. It even has its place on the regular cocktail party slot at the International Monetary Fund World Bank annual meeting — the Gulf International Bank (GIB) reception being an opportunity to meet the mandarins of Arab banking. In the past 15 years Arab banks have grown spectacularly both in numbers of institutions and in sophistication.

In response to global securitization, Arab banks have been forced, sometimes unwillingly, to strengthen their worldwide networks. Since securitization and internationalization go hand-in-hand, Arab banks have found partnerships in most of the main financial centers. They have also gone to "junk holes" and to the more exotic tax havens, although since few of the major Arab banks suffer from oppressive tax laws in their domicile, they are often simply "following the leader."

Arab banking is showing an ability to regenerate itself. Just as in Pakistan the Arab banks (Middle East Bank and Bank of Oman from Dubai) have adapted to the new Islamic banking regime and turned in some of the best figures produced by foreign banks, so in Egypt new investment companies operating outside government control, such as the Al Shari' Organization, have posed an exciting challenge to Egypt's bureaucratic nationalized banks.

The health and wealth of the Gulf states, meaning essentially the six conservative Gulf Cooperation Council (GCC) countries (Saudi Arabia, Kuwait, the United Arab Emirates, Oman, Bahrain and Qatar), is still a crucial barometer. According to Gulf International Bank, the gross domestic product of the Gulf countries, in current prices, more than doubled between 1976 and 1983, rising from a level of \$79.4 billion to \$160 billion, with an annual compound growth of about 12.9 percent. Since 1983, GDP has been falling — to about \$126 billion in 1986. The consequences are that in the 1990s the economic structures



The new Kuwait Stock Exchange.

of the Gulf states will be different from those banks have become familiar with in this decade.

These will be the main characteristics: a more diversified production base away from oil, larger private sector participation in the various aspects of the economy, aggressive world-wide marketing networks for downstream oil products (Kuwait is already doing this under the Q8 logo in Europe), greater regional integration and a more balanced labor market with less dependence on the western expatriate.

This process is already evident at the Jebel Ali Free Zone outside Dubai, where a thriving textile industry exists as an extension of Pakistan's ready-made garment sector. It has also had an impact on banks, which are aiming new products at the Asian rather than the native investor. Said one Dubai banker: "You just can't increase high net-worth locals in mutual funds, but the Asian with \$30,000 a year in disposable income is a good prospect."

The most salient fact is that, over the next few years, the GCC states will increase their refining capacity to around 3 million barrels a day, and will expand vertically through the purchase of marketing networks worldwide. At present almost half the oil produced is traded outside the fixed price system, but by the 1990s about a third of GCC production will be integrated into a market-oriented distribution system. In 1990, GCC oil production will reach an estimated 9 million barrels a day (b/d), around 18 percent of world output; by 1995 the Gulf states' share of world oil

production will rise to 30 percent, ensuring the primacy of the Gulf in world energy output.

None of this suggests that the Gulf will become a financial Sahel, as some nervous in-house bank economists have suggested to justify reducing exposure to the Gulf-based banks. Among positive trends for all banks in the region is the Gulf governments' increasing support for the private sector, rather than large prestige public sector "white elephants", as well as a growing emphasis on the services sector, especially for health, education, training and technology. Industry is expected to become an important feature of the Gulf economies in the 1990s. Manufacturing is already contributing an average of around 8 percent to total Gulf GDP, but this will rise to 12 percent in 1990 and 15 percent in 1995. A regionally based expatriate representing an abrasive manufacturer said: "My company had ignored the Middle East until recently, now my three best markets outside Europe are Saudi Arabia, Kuwait and Pakistan."

It is worth examining how the strategy adopted by Arab banks is contributing to the overall Gulf picture. A tireless advocate of innovation is Hikmat Nashashibi, chairman of the London-based Arab Bankers Association. He said: "All market participants nowadays have to adjust, not only to thinking globally, but also to becoming security-conscious. Arab banks are no exception." Nashashibi added: "In addition to being global in outlook and security-conscious, Arab participants have an advantage in pursuing a regional-niche strategy based on cost effectiveness."

Lacking a strategy can sometimes prove expensive. One Gulf bank, with an admirable credit rating based on its highly conservative lending policy and access to government deposits, opened a London branch in the spring of 1986. A year later its general manager confessed: "When we looked at London, I regret to say that we rather ignored the impending arrival of the Big Bang, and we now need to rethink things." According to Nashashibi, Arab bankers need to ask themselves what business they are in. He says: "They need to identify which of those businesses have comparative advantages, and whether those advantages can be improved upon. Discovering niches and filling them demands imagination. For the unimaginative Arab banker the future is bleak."

To Costi Chehlaoui, executive vice president of GIB in London, the emphasis for Arab banks should be on "servicing the needs of the Arab businessman and Arab community in London and in the Gulf, rather than to be involved in the highly volatile 'sharp end' of the market." He said: "We know that the best way for us to provide this

service is by developing our own in-house expertise as far as possible, bringing in the technical know-how as and when required, and training young Arab bankers who will be running the business in the future."

In this the conservative habits of Arab investors play a constraining role. Pakistan is a market of 90 million people just over an hour away by plane from the lower Gulf, yet few Gulf-based investors have entered the arena there. "They look for sure and safe guaranteed returns which simply cannot always be delivered," said a Ministry of Foreign Affairs official in Islamabad. Arab investors still have a marked preference for tangible forms of investment, such as precious metals, real estate or simple deposit accounts, rather than stocks or bonds, which are offered by specialized banks and fail to have a broad appeal, except in special circumstances.

Oil production, revenues, population. The GCC states 1985-1995

	1985	1986	1987	1990	1995
Oil production (million b/d)	6,369	7,864	6,546	9.0	16.0
Oil revenues (\$ million)	51,364	37,932	44,249	73,896	143,358
Nominal GDP growth (%)	-7.5	-11.5	2.0	6.0	10.0
Current Account (\$ million)	569	-8,733	-2,609	10,000	30,000
Total GCC Population (millions)	15.6	15.5	15.6	15.9	17.0
National	8.7	9.0	9.3	10.2	12.0
Expatriate	6.9	6.5	6.3	5.7	5.0

Source: Gulf International Bank July 1987.

Both regional and international expansion has been planned by Kuwait's Alahli Bank which last year opened a full branch in the Gulf Emirate of Dubai and is now moving into London. Like other local banks, Alahli suffered from the aftereffects of the stock market crash but, according to Mr. Abdul Salam A. Al Awadi, deputy chairman, last year's balance sheet "showed more profit than for the previous year." Alahli was one of the first Kuwaiti banks to press ahead with the debt settlement program suggested just over a year ago by the government. "We are really very optimistic about the future now," says Mr. Abdul, whose bank recently increased its capital by 25 percent.

See Banking, Page IV

NEW ISSUE These securities having been sold, this announcement appears as a matter of record only. July 27, 1987



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# Banks Expanding Global Links

**T**HE Arab Bank of Jordan, often described as the first Pan-Arab bank, inaugurated three very different centers in 1986: a subsidiary in Australia, a representative office in Tokyo and a branch in Cannes. These moves underscore Arab banking's growing internationalization. The trend began with big banks such as

the Bahrain-based Gulf International Bank (GIB) and Arab Banking Corporation (ABC) and has continued, even as recession hit the Gulf.

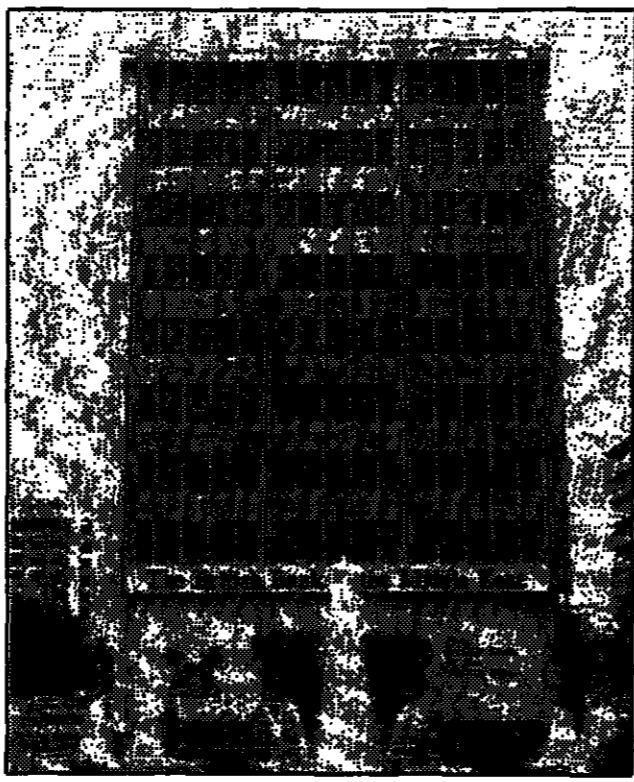
The Arab Bank of Jordan led the way in early 1987 with the announcement that it had been granted a license to operate as a commercial and investment institution in Austria.

In November 1986, Arab Bank's Tokyo office joined those of ABC, GIB and the Jeddah-based National Commercial Bank in Japan. On September 1, Arab Bank celebrated the first anniversary of its wholly owned Sydney subsidiary, Arab Australia.

By June 1987 there were more than 80 separately named Arab financial institutions in London. They include 12 recognized Arab banks and 18 licensed deposit takers.

One relative newcomer is the National Bank of Dubai, which opened in Sloane Street in April 1986. Says managing director Abdullah Mohamed Saleh: "We had felt for some time the necessity of servicing the banking needs in the U.K. of our important customers. As usual, our decision to open was taken after much thought. The fairly rapid build-up of customer deposits in London confirms this assessment. London is a highly competitive market and overheads are high, but we are making satisfactory progress towards profitability."

Two banks to obtain 'recognized' status in the past two years are National Bank of Kuwait and the Paris-based consortium bank BAIL. Two Saudi banks, National Commercial Bank and Saudi American Bank, whose minority shareholder is Citicorp, are operating as licensed deposit takers.



The British Bank of the Middle East offices in Deira, Dubai.

Samba's managing director Shaular Aziz says that the branch will be involved in treasury activities and make a market in the Saudi riyal. He believes Samba will add a "competitive edge" to the London Saudi market, which has expanded as Bahrain has increasingly been forced to the sidelines.

One casualty appears to be the consortium bank — unless, like the Paris-based Union de Banques Arabes et Francaises (UBAF), it has a distinct rationale. European Arab Bank, set up in the 1970s at the height of the oil boom, was this year removed from the Bank of England's list of recognized banks. This decision followed the bank's own moves to run down operations. Said group general manager Jad-Suidan, formerly with the 15-nation consortium The Arab Investment Company of Riyadh: "The consortium bank was a joint venture for a specific purpose. I don't

see consortium banks as being applicable today — their time has passed."

To survive in today's conditions they need to find new market niches. BAIL has its market in merchant banking, while United Bank of Kuwait is aggressively offering home loans in London as well as foreign exchange and trade finance. Clearly, having global links, or even shareholders in different countries, will not be enough. For Ibrahim Dabdoub, chief general manager of the National Bank of Kuwait, maintaining a real international presence "requires a lot of professionalism, management depth, capital, a loyal client base and a well enunciated corporate culture." He adds: "Changes in banking are so rapid now that non-Western banks will find it difficult to cope. New risk profiles are emerging from the dynamic changes in international banking, something which is more diffi-

cult for national banks like NBK to assess. One constraint is capital, because the cost of building an international communications network is very high."

Dabdoub suggests that some Arab banks may retrench to their home markets. For NBK, the global strategy has included a presence in London, New York, Paris, Geneva, Singapore and Bahrain. Yet when push came to shove and NBK lead managed a KD 30 million (\$106 million) bond issue for the World Bank, it was the bank's 30-branch network in Kuwait that absorbed the issue. NBK markets units as small as KD 20,000 (\$70,800). For bond issues it gets a large number of subscriptions, ranging up to KD 100,000 (\$354,000).

Niche playing is also the theme at Saudi International Bank, which has halved its staff in New York. The branch's foreign exchange and money market operations have been returned to SIB's London headquarters.

Singapore is now seen as a possible base and as an attractive market in its own right. Earlier this year, Kuwait Asia Bank took a 16.3 percent stake in Singapore's oldest stockbroker, Fraser & Company. Gulf International Bank has taken a 24.5 percent stake in the family-owned Singapore stockbroker, Ong & Company.

The Cairo-based Arab African International Bank group, now chaired by Aziz al-Jassar, has had good results from its offshore subsidiary Tunis Arab African Bank, set up in June 1985. Deputy chairman Abdel-Moneim Roushdy, former chairman of the National Bank of Egypt, says the bank aims to penetrate many of the domestic markets in which it operates worldwide. This would appear to be one Arab bank which intends to stay near home.

# Investment Companies Offer New, More Flexible Services

**I**T was supposed to be a secret, and it may well have started with Merrill Lynch, but suddenly every major Arab bank is doing it. Loan swaps have become the latest fashion, as Arab banks play on the nerves of U.S. banks with "Gulf risk" and offer to buy their Saudi or Gulf corporate loans, in return for Latin American and other Third World debt.

The swap market in the Gulf is still in its infancy, with only about a dozen banks participating and a volume of approximately \$30 million; individual transactions rarely exceed \$5 million. To the Gulf-based banks the logic of a Gulf/Latin American asset swap is impeccable. American banks are nervous about "Gulf risk," but Arab bankers feel this is something they understand. The Arab banks having gone down the line in Latin America to the tune of some \$4 billion are also looking for relief. Although the discount price of Saudi corporate loans varies widely, some recent swaps have ranked them slightly below Ecuador's sovereign debt, which trades at between 45 and 47 cents to the dollar.

This new opportunity has been seized by the managements at some of the top Arab banks, which are increasingly interested in diversifying into services. When a group of directors/representatives from Merrill Lynch recently toured the Gulf, where they received strong support for both debt and debt/equity swaps.

Innovation may be the key to success, but in the Gulf, innovators must proceed with caution. In April, the Saudi Arabian govern-

ment decided to establish a three-member committee to oversee banking disputes, but the committee's membership has yet to be announced. In Egypt, the Islamic investment companies, considered the most dynamic new force in Arab banking, often exist on the outer limits of the law. The most solid of them is Al Sharif, whose group investments total more than 1 billion Egyptian pounds (\$462 million). Freed from the restraints that are imposed on banks, investment companies such as Al Sharif can pursue imaginative policies, switching in and out of Egyptian pounds at will.

Other Arab banks are responding to the needs of the private investor. Private portfolio management can represent a substantial risk-free source of revenue for Gulf banks. Usually regarded as an off-balance-sheet item, it can help a bank maintain its gearing. Arab banks now face the challenge of acquiring the expertise to mount a sustained campaign. Some of them have elected to market 'off the shelf' packages put together by friendly investment houses. Some very big Arab banks, such as the National Commercial Bank of Jeddah, have decided to sell other people's products, and this represents a significant area of opportunity for investment houses with good links to the Gulf.

Among those who have relied on their own in-house ability are Gulf International Bank and Abu Dhabi Commercial Bank, whose managing director Sultan al-Suwaidi was formerly with GIB. In GIB's case, its Investment Management Service offers to set up packages for private

investors with as little as \$5,000 to invest.

Away from the private arena, a key performer among the Arab investment banks is the Bahrain-based Arabian Investment Banking Corporation (Investcorp), which is concentrating on mergers and acquisitions, mainly in the United States. Its president, Nemir Kiedar, is predicting a significant increase in 1987 net earnings. This will help the bank maintain the 30 percent return on capital achieved in 1986, its most profitable year since start-up in 1982. Its most spectacular deal this year has been acquiring the assets of French jeweler Chaumet & Company and its affiliate Breguet. The acquisition follows Investcorp's established strategy of arranging corporate purchases and then parceling out shares to investors and management, while maintaining a sizable stake in the purchase. It is a strategy already blessed with success — in the 1984 purchase by Investcorp of New York jeweler Tiffany & Company.

Such moves by the new Arab bankers are not missed by the old hands. Said UBAP's retiring chairman Mohamed Abushadi: "I can see UBAP developing its services in the rapidly changing international markets."

In order to innovate, Middle East banks need the expertise to move into new areas, and the funds to enable them to do so. It is salutary to listen to the chairman of the Beirut-based Union of Arab Banks, Anwar el-Khalil: "Arab banks risk being left centuries behind unless priority is given to training staff in modern banking techniques."

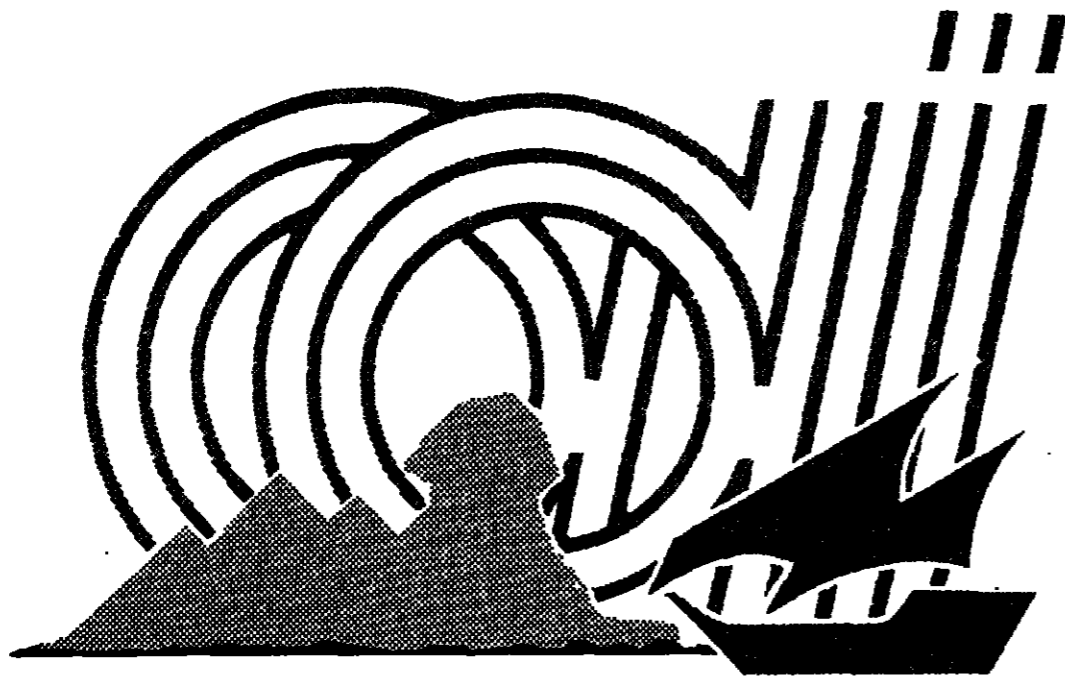
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# Islamic Unit Trust To Be Set Up

**I**N July, after four days of deliberation, religious leaders from Egypt, Pakistan and Turkey gave the go-ahead: Britain could be the testing ground for the world's first Islamic unit trust.

Next year Moslems will be able to deposit funds in a

largest Islamic financial institution. Founded by Prince Mohammed al Faisal in 1981, DMI is currently responsible for \$2 billion worth of funds around the world.

For 65-year-old Pakistani-born Muazzam Ali, vice chairman of DMI, the Islamic unit trust is an important step in his life's work of making Islamic ideas, particularly in economics, more accessible to the West. He explains that, in accordance with Islamic precepts, DMI's unit trust will not put its money on account or invest in bonds or in other interest-bearing financial instruments. It will steer clear of companies with gambling or brewery subsidiaries. But he sees no reason why Moslems should not fund sectors such as medicine and transport, where they will benefit from the expected rise in unit trust price.

A self-confessed liberal, Mr. Ali admits the unit trust will not be kindly received by conservative Islamic scholars. However, he says, Islam must adapt to survive in the modern world. Some Moslems, who are pushing for greater pragmatism in economic affairs, say the Prophet Mohammed's prohibition of usury was simply an attack on the exploitative money-lenders of Arabia in his day. Others argue that interest up to the rate of inflation should be allowed.

Mr. Ali disagrees. He believes the Prophet's ban on interest is total, but that British Moslems are correct in using the existing capitalist system until an alternative Islamic economic framework is established.

DMI has banks, insurance companies and trading houses in 13 countries. Its history has been checkered. Subsidiaries were accused of commodity speculation during the African famine three years ago. It also suf-

fered substantial losses on the metal markets. But the bank has been making intensive efforts to improve its operations. Last year, staff at its Geneva headquarters was reduced from 120 to 96. In the fiscal year ending June 30, 1986, operating profit increased by 58 percent to \$11.17 million and net profit by 44 percent to \$8.37 million.

Geographical frontiers are being extended. In 1987 Faisal Islamic Bank of Egypt, a subsidiary of DMI, joined forces with the Ningxia Islamic International Trust and Investment Bank to set up China's first Islamic bank, the Islamic International Investment Company. In Egypt, Faisal Islamic Bank has ten branches, with deposits of more than \$1.5 billion. An important part of the group's activities is trade finance. Last year its International Islamic Trading Company (IITC) underwrote \$130 million worth of trade, mainly between Islamic countries. DMI's Five Year Plan (1985-90) envisages an integrated Islamic economic and financial system. It also suggests the group could play a leading role in establishing a secondary Islamic financial market.

The bank is seeking recognition in the West as well. From its Luxembourg office, DMI already offers British Moslems Islamic insurance. However, the Bank of England is wary of giving it a banking license as technically, under the Islamic system, deposits are not guaranteed. Since interest is not allowed, a customer participates with the bank in trading ventures which can lead to losses as well as profits. Mr. Ali, undeterred, says if DMI can succeed in the West, it will gain respectability in its traditional markets: the Gulf and North Africa.

— Michael Duncan

# New Technology Comes to Arab Banks

**T**HE image of Arab banking has changed dramatically in the past five years — crowded labor-intensive banking halls have been replaced by gleaming computer rooms and chattering automatic teller machines.

Indeed, Arab banks are now beginning to export their own expertise. A software package designed to operate and control traveler's checks has been sold by Arab Financial Services (AFS) to the Bank of New Zealand, itself due to open an office soon in Bahrain. AFS was set up in 1982 in Bahrain and is owned by 61 Arab banks and financial institutions. Derek Pearmund, AFS deputy general manager, said: "We could

find nothing to operate a traveler's check program that met our requirements, so we set out to create our own. Because this is a traveler's check system and not related to other operations, we have been able to offer it for sale anywhere."

The British Bank of the Middle East (BBME), one of the leading foreign banks in the Gulf, has developed Hexagon — a sophisticated cash management system. Through Hexagon, business people using personal computers can contact the bank, make transactions and receive information from around the world. The bank's own offices are linked to the group's global data network, allowing BBME and

its merchant banking arm, the Dubai-based Wardley Middle East, to offer customers a wide range of international banking investment services.

Arab banks have invested heavily in new technology. From the Gulf, a customer's cash position can be tracked through all the major time zones. More and more businesses are seeking direct connections to their lead bank's dealing room, and get 'wake up' calls giving them the overnight major currency movements.

The customer reaction to cash cards is more difficult to analyze. A typical comment from one bank is that most Arab customers want them, but do not use them very often. Neverthe-

less, AFS plans to introduce a credit card in the Middle East. The AFS Premier Card is affiliated to the Visa program, which means it can be used through Visa outlets and in automated cash dispensers worldwide.

Given the new emphasis on retail banking in certain Gulf centers, particularly Bahrain, Abu Dhabi and Dubai, there is a healthy market for cash dispensers. Note, however, the word of advice from a seasoned bank manager to a software salesman: "Remember, in some of the Gulf countries we work to three decimal points with our currencies. The lesson is do your homework before coming out here to sell."

— J. W.

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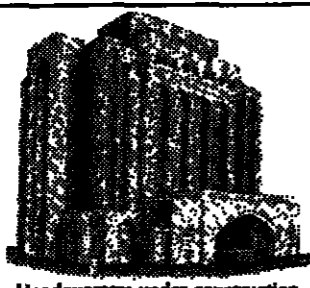
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## Banking

(Continued from Page 1)

Given the nature of Arab financial markets, conservatism is to be expected. Stock exchanges exist in Kuwait, Saudi Arabia and Bahrain but no formal exchange exists in Oman and Qatar. The UAE is moving toward having a formal stock market, with National Bank of Abu Dhabi making a market in some shares. Bond markets exist in Kuwait, and to a lesser extent in Bahrain. The Kuwaiti dinar bond market was hailed as the Arab world's first true capital market in the 1970s, and has recently been relaunched with National Bank of Kuwait leading a KD 30 million issue for the World Bank, equivalent to just over \$100 million. The signing ceremony took place, not in Kuwait, but at London's Dorchester Hotel.

The most encouraging development has been in

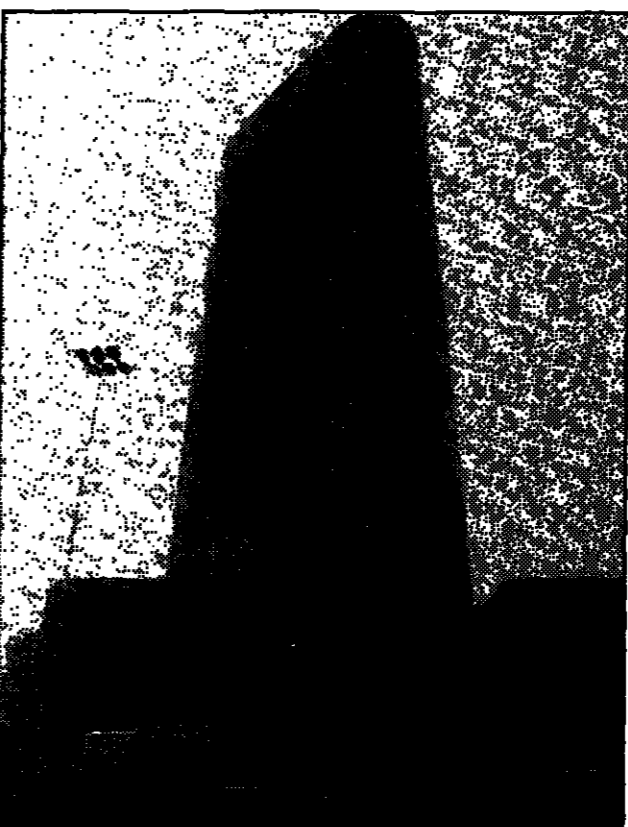
the money markets — in short-term paper. Treasury bills, certificates of deposit and commercial paper issues are now traded in

many of the Gulf states. Kuwait, Bahrain and the UAE all have developed money markets. It is easy to see why the capital markets

have failed to evolve. The shaky legal framework, particularly where interest is involved, is one reason, as are the family-oriented nature of Gulf businesses and the lack of standardized financial reporting criteria. Signs of progress exist, even in Saudi Arabia, the most conservative of the Gulf states, but further training of the Arab financial community is needed.

Arab banks and financial institutions have sustained their development — despite the absence of a well-developed framework at home — only by a determined thrust into global markets. In the tradition of the great Arab travelers, branches have been opened in London, New York, Tokyo, Singapore, Hong Kong and Paris as well as in China and South America. It is this process which will stand the Arab banks in good stead when wealth returns to the Gulf region in the 1990s.

— John Wilson



Arab Bank of Kuwait's new head office.

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OPINION

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Campaigning in Poland

The Poland that Vice President George Bush has been touring no longer burns with Solidarity's reform fever...

Iranian Oil, for Now

Iranian oil, it now appears, was pouring into the United States in great volumes during the early summer...

They're Running Away

Ronald Reagan has only himself to blame for the new budget law he has "reluctantly" accepted...

Other Comment

Glasnost Takes a Beating Mr. Gorbachev has reappeared, apparently in good physical condition...



Debt: Take the Lead or Endure a Forced Outcome

WASHINGTON — As finance ministers hold the annual meeting of the International Monetary Fund, the Reagan administration is about to lose the last chance for America to get political credit for a solution to the international debt crisis...

Debt: Real People Are in Real Trouble

NEW YORK — The joint annual meeting of the International Monetary Fund and the World Bank unfailingly brings under one roof more bankers than any other assembly...

The Early Betting Is on the Republicans

WASHINGTON — Until now, the Democrats have held the spotlight in the maneuvering for the 1988 presidential election...

The Press Has a Duty To Publish

By Flora Lewis PARIS — The First Amendment forbids Congress to pass any law restricting the freedom of speech or of the press...

On My Mind

And most of all, the press should speak out about these truths: The truth is that Solidarity was not a Polish workers' union...

Mind: A Test of Openness

POLAND will be a test of it if Moscow desires any present with the West...

In Our Pages, 75 and 50 Years Ago

1912: Balkan War Fever SOFIA — Wild excitement has been aroused in Sofia by the report that a decree mobilizing the Bulgarian army will be issued this evening...

The Visitor At Least S

NEW YORK — George Bush, vice president, had a lifetime right to visit Poland...

On My Mind

And most of all, the press should speak out about these truths: The truth is that Solidarity was not a Polish workers' union...

Mind: A Test of Openness

POLAND will be a test of it if Moscow desires any present with the West...

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1912: Balkan War Fever SOFIA — Wild excitement has been aroused in Sofia by the report that a decree mobilizing the Bulgarian army will be issued this evening...

In Our Pages, 75 and 50 Years Ago

1937: China on Its Own NANKING — Mme. Chiang Kai-shek, wife of China's generalissimo, said today (Sept. 29) that there is no prospect of Soviet intervention...

Vertical text on the left margin containing publication details and subscription information.



ARTS / LEISURE

Puttnam and Columbia: The Chariots of Change

By Aljean Harmetz
New York Times Service
LOS ANGELES — When David Puttnam resigned as chairman of Columbia Pictures last week...

pushed? He was enough of a realist to want to make entertaining movies, and enough of an idealist to want his films to have social value.

shunts a villain who can turn docile animals into killers. In an unfinished version, the film received two research screenings and the response was poor.



David Puttnam: Naïve?

Archer's Courtroom Melodrama

By Sheridan Morley
International Herald Tribune

LONDON — Before it opened last week at the Queen's, Jeffrey Archer's "Beyond Reasonable Doubt" had already taken £500,000 (about \$800,000) in advance sales.

THE LONDON STAGE

at seaside repertory theaters in the days when they could still afford a dozen actors in expensive clothes and two big sets.

Reviews are not supposed to reveal too much plot, though it can safely be disclosed that as the curtain rises we find Frank Finlay as the chairman of the Bar Council defending himself on a charge of wife murder, with Jeffrey Wickham appearing for the prosecution before Andrew Cruickshank's avuncular Scots judge. Act 1 is the trial, and for Act 2 we are transported in flashback to Finlay's stately home where we find his wife (Wendy Craig), a friendly solicitor (David Langton) and an eventual explanation of what really happened.

Completed with requisite final twist, Archer's play seems to have been not so much written as assembled from the spare parts of earlier stage thrillers. It is immaculately played, directed (David Gilmore) and designed (Tim Goodchild) but ultimately as dead as the corpse which caused the trial.



David Langton in "Beyond Reasonable Doubt."

er. That is how "The Mousetrap" has survived these last 40 years.

Apart from a very occasional musical or National Theatre revival of "Golden Boy," the British theater shamefully ignores the work of Clifford Odets, who, though a lesser dramatist, opened up the confessional dramatic path to Arthur Miller and even Tennessee Williams in the United States.

First seen on Broadway in 1949 with John Garfield (about whom it might in many respects have been written) and filmed five years later with Jack Palance, this is ostensibly the story of an actor having to choose between his artistic theatrical soul and a long-term Hollywood contract, though it is also of course largely about Odets himself and his own career agonies.

Yet the moral dilemma at the heart of an overlong and overwrought script has little to do with a dead child or a drunken driver. It's about a socialist man selling out to a capitalist system. Coming from the author who 14 years earlier had written "Awake and Sing" and "Waiting for Lefty" and was 14 years later to die in California writing television soap operas, it has a ghastly kind of midlife-crisis circular, but the real trouble with Odets was that he was deeply in love with the sound of his own typewriter, and all too often in this fable of moral absolutes the dialogue sounds like Eugene O'Neill filtered through Hedda Hopper.

for Ida Lupino as the noble, tortured wife and Rod Steiger as the lingly evil, faintly gay mogul reeking of the sour smell of success. On stage that balance of power has shifted so that Gayle Hunnicutt and James B. Sikking give performance of such restrained good taste as to make themselves almost invisible. It is thus left to Shaw to convey a vague impression of ethics under pressure, while alone in a large cast David de Keyser as his agent catches precisely the right seedy callidoid memories.

For reasons that so far escape me, the National Theatre in the closing months of its Peter Hall management has suddenly acquired a deep interest in community plays about working conditions in the west of England a century ago. While we await Hall's own production of David Edgar's "Entertaining Strangers" (pub workers in trouble in Dorset), we have on the Cottesloe stage Michael Rudman's production of Nick Darke's "Ting Tang Mines" (copper miners in trouble in Cornwall), a folk musical which might have played better with a large amateur cast on its own home territory rather than within the more cramped confines of the National's studio stage.

We get an agile in-the-round production, but no real sense that producer Darke or his players care much for or about any of the characters in a somewhat confused tale

about a returning adventurer (Robert Glenister) whose mysterious fortune, in fact acquired by plundering shipwrecks, manages to divide his native community and set off a village up against another in copper-bottomed rivalry.

If you can imagine "Jamaica Inn" rewritten by Bertolt Brecht you will have some vague idea of the confusion here. Matthew Scott has written one of those scores that make you want to hear his next, and some strong players are led by Joyce Grant as a mad old grannie and Barbara Jefford as a transvestite gin-swilling mine-owner rejoicing in the name of Salathiel Trenamian. But none of them ever quite manages to establish what this play is about, and indeed Leslie Sands as another mine-owner appears to have wandered in from something altogether different by J.B. Priestley. What starts as an animated lecture about the politics of copper-mining ends up as a picturesque murder story interrupted by catchy little numbers about the joys of a day out to Truro. To give Darke his due, at least he is never predictable, and in there somewhere are at least three quite different plays about local Cornish history. Getting from one to another, even on Carl Tom's marvellously versatile set, proves a little tricky and in the end Rudman seems to have decided, perhaps rightly, to throw the whole ting-tangy ragbag at the audience and let us sort out which bits of it really matter.

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In answer to questions about whether he was unhappy with Columbia, Cosby replied through a spokesman, "I am very pleased with the material we have and are now in the process of editing."

When Puttnam was hired by Coca-Cola, he was the first real filmmaker to run a movie studio in decades. He agreed to head the studio for only three years, a contract that Hollywood's power brokers found incredibly naive.

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Continental advertisement featuring a line graph showing development of share price from 1984 to 1987, and a bar chart showing earnings per share in DM.

Washington, Moscow Work at Cultural Thaw
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Dining Out
List of restaurants in Düsseldorf, Paris 8th, Paris 1st, Paris 2nd, Paris 5th, Paris 6th, Paris 7th, Paris 8th, Paris 16th, Paris 17th, Paris 18th, Paris 19th, Paris 20th, Paris 21st, Paris 22nd, Paris 23rd, Paris 24th, Paris 25th, Paris 26th, Paris 27th, Paris 28th, Paris 29th, Paris 30th.

Middle East
Kuwait Finance Bank
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The Commercial Bank of Kuwait
Savings and Investments

WEDNESDAY, SEPTEMBER 30, 1987

# BUSINESS/FINANCE

## MADISON AVENUE

### Ayer Edges Out Thompson For Burger King Account

By PHILIP H. DOUGHERTY  
New York Times Service

NEW YORK — N.W. Ayer Inc. has won Burger King Corp.'s \$200 million assignment in the biggest account switch in advertising history. The loser, J. Walter Thompson, is trying to regain its equilibrium after major management changes and an unfriendly takeover by WPP group of Britain.

Thompson, Ayer and D'Arcy Masius Benton & Bowles were finalists in a competition that started with Burger King, a Pillsbury Co. subsidiary, has 4,700 outlets in the United States.

Its advertising spending has grown since 1976, when it was only \$24 million. Estimates on the number of Thompson people who will be let go because of the switch are as high as 100, according to an informed source.

Unlike Ayer, an independent agency, Thompson's parent, WPP Group, is publicly held. According to Alan J. Gottesman, an analyst with L.F. Loeb, a New York financial services firm, any negative effect on WPP stock would have already been felt when Burger King announced its review of agencies.

Now, he says, Thompson can "probably dismember its support structure" quickly in the fourth quarter and be ready for 1988. That is likely to be a bonanza year as agencies reap the profits that accompany soaring TV prices in a year with both a presidential election and the Olympic Games.

Burger King, a distant second to McDonald's in fast food, is having a flat year, according to Daniel R. Lee, an analyst at Drexel Burnham Lambert. The average McDonald's, he said, has sales of \$1.4 million a year and the figure is rising; for Burger King, \$1.1 million and stable; for Hardee's, \$1.1 million and rising, and for Wendy's, \$800,000 and declining.

Thompson is expected to let up to 100 people go as a result of the switch.

Grey Advertising of New York has acquired a British agency, Newton & Godin, of Tunbridge Wells, Kent, billing about \$26 million. Grey has been buying British service companies since 1962, when it acquired Charles Hobson & Partners. Now it has 12 British companies in the marketing services field, and three of them are agencies.

The purchase of the majority of stock in Newton & Godin, the largest agency outside London, will bring Grey's total British billings to \$320 million.

Anthony Simonds-Gooding has resigned the chairmanship of the communications division of Saatchi & Saatchi PLC of Britain and is being replaced by Victor Miller, 52, who will also continue as chairman and chief executive officer of the Saatchi's consulting division.

Mr. Simonds-Gooding, 50, is to be chairman of British Satellite Broadcasting, a consortium that expects to serve 350,000 dish-antenna-equipped British households by late 1989 and five million by the mid-1990s.

Roger Lavery has been appointed managing director at D'Arcy Masius Benton & Bowles, San Francisco.

Madigan Pratt, J. Robert Lieber and Paul Levett were promoted to senior vice president at Lowe Marschall, New York.

Steven R. Greenberger, Joseph A. Sander and Peyton Sise have been elected senior vice presidents at William Esty Co. of New York.

Mary Ellen Argenterieri has been named senior vice president and director of creative services at Hill, Holliday, Connors, Cosmopolis of New York.

## For Millions in U.S., a Job Costs Too Much

By Louis Uchitelle  
New York Times Service

BOSTON — By all the rules of economics, Donna Van Name should be back in the work force. In prospering Boston, jobs go begging, particularly the sort of clerical work that Ms. Van Name did for John Hancock Mutual Life Insurance Co. until her second son, Michael, was born in 1985.

But going back to work means costly child care, and that would consume most of the \$6 or \$7 an hour that Ms. Van Name could earn as a clerk or desk-typist in Boston. Even if she could afford the child care, "a lot of centers won't take children under three years old," she said. Her third child, Kaitlin, was born last fall.

Stuck at home, the 30-year-old mother tried to organize a day-care center in her cramped south Boston apartment. There were plenty of potential clients among neighborhood mothers.



Floating from job to job is Maria Nieves, left, with her husband, Agustino, grandson, Jose, and daughter, Ivetta. Mrs. Nieves now is working as a sewing machine operator, but says her output does not satisfy the company. At a Massachusetts store, evidence of worker shortages.

But Ms. Van Name would have had to spend hundreds of dollars on repairs to qualify for a state license. That was beyond the means of a family living precariously on welfare, food stamps and the \$200-a-week paycheck of the children's father, David.

Ms. Van Name wants a job. But the obstacles to her re-entry into the world of work — her child care needs, the low wage she would earn and the rundown slum housing — help to explain a curious phenomenon in the United States.

At a time of declining unemployment and a growing economy, millions of Americans in their prime working years are remaining outside the work force. By Labor Department standards, they are not even counted as among the unemployed because they are not actively seeking a job.

This is a sharp departure from previous periods. The Depression, for example, created a large corps of "unemployables," people considered too unskilled, too destitute or too discouraged to enter the work force.

But World War II brought them in anyway. And those on the sidelines in the early 1950s and late 1960s eventually went to work in significant numbers, when the unemployment rate dipped sharply and companies found themselves short of workers.

But this time around, with civilian unemployment having fallen steadily to 6 percent, the low-

est level in 13 years, the magnet of unfilled jobs is failing to exert its usual pull.

Indeed a new hard core of non-working Americans has come into existence. They total somewhere between 10 million and 20 million people, even after excluding all the millions of people — housewives, students, the ill and disabled, and the retired — who remain out of jobs for traditionally acceptable reasons.

These nonworkers are a diverse group. They include 6 million people who want to work, but are not looking. Some of them, like Ms. Van Name, are among the 3.1 million mostly unmarried mothers who receive Aid to Families with Dependent Children, the principal form of welfare.

Others are classified by the Labor Department as discouraged

rollment among the unemployed. "When they do not work they float," said Harley Shaiken, a labor economist at the University of California at San Diego. "They are the millions of statistically invisible people too discouraged by low wages to be more than marginally attached to the job market."

Maria Nieves, a Puerto Rican who barely speaks English, is one of those who float. For the past six weeks, she has been operating a sewing machine at \$6 an hour at Fidelity Sportswear in Boston.

But this is Mrs. Nieves's first job since 1985, and she does not expect it to last long because she says she is not turning out enough clothing to continue to qualify for the \$6 wage.

Although Mrs. Nieves, who is 42, has a high school equivalency certificate, her weak English limits her job opportunities, and she thus not even qualifying for en-

the 17.9 million people that the U.S. Bureau of Labor Statistics listed as working less than half the year in 1986, for annual incomes of less than \$10,000.

rollment among the unemployed. "When they do not work they float," said Harley Shaiken, a labor economist at the University of California at San Diego. "They are the millions of statistically invisible people too discouraged by low wages to be more than marginally attached to the job market."

## Overcrowded housing, poor health, lack of child care and isolation in slums are all barriers to work. "When you have a part of the society that has been pauperized, then you have also made them unemployable," an economist said.

workers. They have given up the job search because they do not believe they can find work. Among them are laid-off factory hands reluctant to take lower-salaried jobs.

But the biggest contingent of nonworkers is, ironically, buried in the labor force itself, among

This group represented 15.4 percent of the 115.8 million Americans who held jobs at the end of last year. An unknown number of them, well into the millions, quit because of low pay, economists say, and did not look for new jobs for long periods, thus not even qualifying for en-

rollment among the unemployed. "When they do not work they float," said Harley Shaiken, a labor economist at the University of California at San Diego. "They are the millions of statistically invisible people too discouraged by low wages to be more than marginally attached to the job market."

Maria Nieves, a Puerto Rican who barely speaks English, is one of those who float. For the past six weeks, she has been operating a sewing machine at \$6 an hour at Fidelity Sportswear in Boston.

But this is Mrs. Nieves's first job since 1985, and she does not expect it to last long because she says she is not turning out enough clothing to continue to qualify for the \$6 wage.

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## Salomon Rejects Offer by Revlon Topping Buffett

By Robert J. Cole  
New York Times Service

NEW YORK — Ronald O. Perleman, the chairman of Revlon Inc., has offered to outbid the investor Warren E. Buffett for a substantial minority stake in Salomon Inc., the parent of Salomon Brothers, Wall Street's biggest investment banking house.

Salomon said its board unanimously rejected Mr. Perleman's offer.

Mr. Perleman on Monday offered Salomon the same \$700 million as Mr. Buffett, but said he would accept a 10.9 percent stake, instead of the 12 percent Mr. Buffett would receive.

Under this plan, Mr. Perleman would be willing to pay \$42 a share for his stock in Salomon, rather than the \$38 that Mr. Buffett agreed to pay.

Salomon stock closed Tuesday up \$2.25 at \$37.

Mr. Perleman put Salomon on notice that he was seeking government antitrust clearance to buy stock if Salomon was "unable or unwilling" to sell him a part of the company.

He is understood to have moved into the market Monday to buy a small stake in Salomon.

"Perleman doesn't want to take over the company," said one executive close to Mr. Perleman. "Even if he buys stock, his intention is to be supportive of existing management."

Asked whether Mr. Perleman was interested in joining Salomon's board, the source said, "If they want to give us a seat, fine; if not, they don't."

However, Mr. Perleman is widely viewed as a hands-on executive who made a tremendous profit in the buyout of Revlon and might not be willing to watch Salomon from afar for long.

Mr. Buffett, on the other hand, is seemingly content to take passive positions in undervalued situations and then watch them grow.

In making the overture, Mr. Perleman temporarily put aside his \$5.5 billion plan to take over Gillette Co. Gillette's stock fell 50 cents, to close at \$40.50, Tuesday on the New York Stock Exchange.

Salomon called an emergency meeting of its board.

See SALOMON, Page 15

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## Dart Raises Dayton Bid By \$3 After Rejection

The Associated Press

LANDOVER, Maryland — Dart Group Corp. sweetened its unsolicited offer Tuesday for Minneapolis-based retailer Dayton Hudson Corp. by \$3 to \$68 a share, after rejection of a previous bid.

Herbert H. Haft, Dart's chairman and Robert M. Haft, the president, said in a letter to Dayton's board they would pay \$68 a share plus stock in the merged company for each of Dayton Hudson's 97.4 million outstanding shares.

That raises the total of the bid to \$6.62 billion from around \$6.3 billion.

The Haft's said they were disappointed by Dayton's rejection of their \$65-a-share first offer, made Sept. 17, and complained that it was turned down without any discussion with them.

"We believe that Dayton Hud-

son has not realized the promises or potential to which its stockholders are entitled," the Haft's said.

Spokesmen for Dayton Hudson were not available for comment on the bid.

Monroe H. Greenstein, a retail industry analyst with Bear Stearns & Co. in New York, said he expected Dayton Hudson to continue to oppose a takeover by the Haft's.

He called the \$68-a-share offer "a price they would fight."

The retailer took steps in June to head off a hostile acquisition, persuading the Minnesota Legislature to pass a tough anti-takeover law.

Dayton Hudson stock rose \$1 to \$59.25 a share Tuesday in trading on the New York Stock Exchange.

Dayton Hudson, the seventh-largest U.S. retailer, has had declining earnings for four consecutive years.

See DART, Page 15

## Currency Rates

Rate	Rate	Rate	Rate	Rate	Rate	Rate	Rate
London	1.6275	Frankfurt	1.6310	Paris	1.6310	Geneva	1.6310
Stockholm	1.6310	Oslo	1.6310	Copenhagen	1.6310	Helsinki	1.6310
London (cont.)	1.6275	Frankfurt (cont.)	1.6310	Paris (cont.)	1.6310	Geneva (cont.)	1.6310
Stockholm (cont.)	1.6310	Oslo (cont.)	1.6310	Copenhagen (cont.)	1.6310	Helsinki (cont.)	1.6310

Source: Reuters and AP.

## Interest Rates

Rate	Rate	Rate	Rate	Rate	Rate
3-month T-bill	7.75%	6-month T-bill	8.00%	1-year T-bill	8.25%
3-month Euro	8.50%	6-month Euro	8.75%	1-year Euro	9.00%
3-month Yen	7.00%	6-month Yen	7.25%	1-year Yen	7.50%

Source: Reuters and AP.

## Higher Rates Cloud G-7 Currency Accord

Japanese Monetary Policy at Issue

By Reginald Dale  
International Herald Tribune

PARIS — The West's seven leading industrial countries have emerged from their latest conclave in Washington confident that they are beginning to reassert a degree of control over the world economy — enough, at least, to stabilize exchange rates for the time being.

They could not, however, banish nagging doubts that rising interest rates could jeopardize their efforts in the months ahead.

As if to justify the generally self-congratulatory mood in Washington, the dollar performed perkily in Europe and the Far East on Tuesday, although it was also helped by technical factors. But initial market reaction to the latest official effort to steady the dollar has been respectful.

After their weekend talks, the Group of Seven — the United States, Japan, West Germany, Britain, France, Italy and Canada — made it clear that they would continue to employ the same strategy that has kept the U.S. currency relatively stable for the past seven months. That strategy, set in place by February's so-called Louvre agreement in Paris, involves closer coordination of economic policies, backed by judicious currency intervention.

Ministers and central bankers attending the Washington talks expressed satisfaction with the arrangement. "We can only wait and see how it works out, but so far we've had enough cooperation among

countries to help the exchange rate levels stay within the correct range," a senior U.S. Federal Reserve Board official told Reuters.

But amid the soothing phrases generally employed by officials when they want to stabilize exchange rates, many of the participants both privately and publicly expressed the fear that the difficulty of controlling interest rates could prove to be the strategy's Achilles' heel.

Everybody would prefer to see "a certain stability" in interest rates, said Edouard Balladur, the French finance minister, but their levels "cannot be decreed." A number of central bankers made much the same point: They would prefer low interest rates, but they might have to raise them to curb inflation.

Any significant rise in interest rates would pose a double threat to the Louvre strategy. It would dampen economic growth when Washington believes that its partners are not expanding their economies fast enough. It also could undermine the precarious stability of the dollar, particularly if rising rates outside the United States made dollar investments, and thus the U.S. currency, less attractive.

As it is, interest rates in Japan, West Germany and other countries have crept up, following those in the United States, over the past five months. And market rates in both Japan and West Germany have risen since Alan Greenspan, the new Federal Reserve Board chairman, moved to increase the Fed's discount rate by a half-point to 6 percent earlier this month.

Analysts have said the Fed moved partly to support the dollar.

West German officials in Washington said that a rise this month in a key Bundesbank interest rate did not really mean a tougher monetary approach. But Japan's position has been ambiguous.

As the Washington meetings began last weekend, the United States was putting pressure on Japan to deny press reports that a rise in its 2.5 percent discount rate was imminent.

Satoshi Sumino, the central bank governor, did so at first, but then told reporters that Japan had made no commitment. He added that while the bank would not raise its key rate immediately, monetary policy should be flexible.

"Japan made no official promise to the United States that we will not raise the discount rate for the time being," he said.

Karl Otto Pöhl, the Bundesbank president, said he was worried that West German market rates were too high compared with those of the central bank; he suggested it was the market rates that needed to fall.

Everybody would prefer to see "a certain stability" in interest rates, but their levels "cannot be decreed."

— Edouard Balladur, French finance minister

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Symbol	Vol.	High	Low	Last	Chg.
SColl	44407	31 3/4	31 1/2	31 3/4	+1/4
Amgen	29340	29 3/4	29 1/2	29 3/4	+1/4
Amgen	28330	29 3/4	29 1/2	29 3/4	+1/4
Amgen	28330	29 3/4	29 1/2	29 3/4	+1/4
Amgen	28330	29 3/4	29 1/2	29 3/4	+1/4

NYSE 4 a.m. volume	173,330,000
NYSE prev. close	219,423,000
Amex 4 a.m. volume	11,610,000
Amex prev. close	11,230,000
OTC 4 a.m. volume	151,110,000
OTC prev. close	137,620,000
NYSE volume up	64,520,000
NYSE volume down	84,430,000
Amex volume up	4,027,000
Amex volume down	5,420,000
OTC volume up	n.d.
OTC volume down	n.d.

Index	High	Low	Close	Chg.
Composite	181.41	180.04	180.04	-1.36
Industrials	223.28	221.84	221.84	-1.44
Transp.	122.02	121.08	121.08	-0.94
Utilities	72.86	72.09	72.09	-0.77
Finance	154.54	153.51	153.51	+0.15

## Tuesday's NYSE Closing

Via The Associated Press

Class	Prev.
Advanced	341
Declined	28
Unchanged	28
Total Issues	397
New Highs	28
New Lows	28

Index	Close	Chg.	Week Ago	Year Ago
Composite	441.84	-1.62	432.93	358.77
Industrials	427.07	-1.73	415.13	343.16
Finance	515.11	+1.34	514.34	482.84
Utilities	454.19	+0.15	448.20	416.25
Insurance	484.32	+0.67	482.89	452.70
Technology	416.48	-0.45	414.03	325.25

Symbol	Vol.	High	Low	Last	Chg.
Amgen	29340	29 3/4	29 1/2	29 3/4	+1/4
Amgen	28330	29 3/4	29 1/2	29 3/4	+1/4
Amgen	28330	29 3/4	29 1/2	29 3/4	+1/4

Category	Class	Chg.
Govts	82.7	-0.20
Utilities	82.9	-0.10
Industrials	82.6	-0.20

Category	Class	Prev.
Advanced	623	1016
Declined	40	1016
Unchanged	200	1016
Total Issues	663	1016
New Highs	51	78
New Lows	16	78

Symbol	Buy	Sales	% of Total
Sept. 22	244,281	528,379	1.62
Sept. 23	228,092	390,703	1.52
Sept. 24	266,372	398,273	1.52
Sept. 25	344,411	499,268	1.52

Index	Open	High	Low	Last	Chg.
Indus	2691.59	2672.11	2659.57	2657.14	-14.45
Transp	1028.20	1021.11	1019.09	1019.14	-0.06
Comp	842.83	843.43	842.83	842.83	0.00

Index	High	Low	Close	Chg.
Industrials	223.28	221.84	221.84	-1.44
Utilities	72.86	72.09	72.09	-0.77
Finance	154.54	153.51	153.51	+0.15
SP 500	242.2	241.2	241.2	-0.1

Category	Class	Prev.
Advanced	1212	1120
Declined	n.d.	n.d.
Unchanged	n.d.	n.d.
Total Issues	n.d.	n.d.

Index	High	Low	Close	Chg.
AMEX	357.25	354.61	354.61	-2.64

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21	18 1/2	AAR	5.0	13	23	21	21 1/2	+1/4
21 1/2	18 1/2	ACM	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADG	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

## NYSE Falls in Moderate Trading

**NEW YORK** — Prices on the New York Stock Exchange slipped late Tuesday in active trading as investors turned their attention from a strong dollar and succumbed instead to worries about the bond market's persistent weakness.

The Dow Jones industrial average fell 10.93 points to close at 2,590.57, after rising 31.33 points on Monday. Losing issues outnumbered gaining ones by about 3 to 2.

Volume amounted to about 173.5 million shares, down from 188.75 million on Monday. Prices were also lower in moderate trading of American Stock Exchange and over-the-counter issues.

Traders said a strong dollar gave equities some support but that weakness in bonds curbed enthusiasm. They described investors' mood before the end of the quarter as apathetic and nervous.

Bill Lord, a trader at Shearson Lehman, said a collapse of bonds late in the session was the main culprit in the stock market's fall. He also cited futures-related arbitrage.

Mr. Lord said the decline in stocks still left the market ahead for the week, and he added that any further move down would be limited.

"It's a very nervous market," said Edward Shokorn, partner in charge of institutional equities at Mabon, Nugent & Co.

"The stock market is still basically following bonds," said Newton Zinder of E.F. Hutton. "So until you see some improvement in bonds, you're not going to see much improvement in stocks."

Dennis Jarrett, technical analyst at Kidder, Peabody & Co., said the dollar's strength should spur buying interest in both the bond and stock markets as the week progresses. He predicted that the market would move higher this week and that the Dow would end the year near 2,900.

Arco Chemical led the actives, rising 3% to 35%, from an initial offering price of 32. The stock was offered by Atlantic Richfield, and amounted to 19.5 million shares. Atlantic Richfield itself rose 3% to 94%.

Southern California Edison, trading ex-dividend, was second on the actives, falling 1/2 to 31%.

IBM, which dropped 3/4 on Monday, shed an additional 2 1/2 to 150%. Traders again cited negative comments based on chart analysis and a recent arbitration ruling on a dispute with Fujitsu.

Salomon Inc. jumped 2 1/2 to 36%. Ronald O. Perelman, head of Revlon Inc., said he wants to buy stock in Salomon as an investment. The development, coming a day after Salomon agreed to sell convertible preferred shares to Warren E. Buffett, kindled some takeover speculation. Salomon rejected Mr. Perelman's proposal to buy preferred shares.

Issues of other securities firms rode along on the Salomon news. First Boston gained 1 1/2 to 44, Morgan Stanley 2 1/2 to 79%, Shearson 3/4 to 26, Merrill Lynch 3/4 to 38 and E.F. Hutton 1/4 to 37%. American Express, parent of Shearson, gained 3/4 to 35%.

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

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21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
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21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

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21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

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21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

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21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

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21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E	52 Wk High	Low	Close	Chg.
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00
21 1/2	18 1/2	ADT	5.0	13	23	21 1/2	21 1/2	0.00

12 Month High	Low	Stock	Div. Yld.	P/E
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## Compaq Unveils Faster Computers

**NEW YORK** — Compaq Computer Corp. introduced Tuesday new versions of its desktop and portable computers based on Intel Corp.'s state-of-the-art 80386 microprocessor. It said the computers are faster than competing models.

Compaq said the new computers use an 80386 chip that runs at 20 megahertz, or million cycles per second.

Compaq said the new desktop machine, the Deskpro 386/20, employs a new system architecture, or internal design, that allows it to operate up to 25 percent faster than their 20-megahertz, 80386-based computers and up to 50 percent

faster than 80386 computers running at 16 megahertz.

It said the machines are faster than 80386-based machines made by International Business Machines Corp. and Tandy Corp.

IBM is now selling a 16-megahertz 80386-based computer and will begin shipping a 20-megahertz model in the fourth quarter.

Compaq said it will offer three models of the new desktop machine.

The Model 60, priced at \$7,499, includes a 60-megabyte, or million units of storage, fixed-disk drive. The Model 130 has 130 megabytes of fixed storage and costs \$9,499.

The Model 300, priced at \$12,499, has 300 megabytes of fixed storage.

Compaq also unveiled software, developed jointly with Microsoft Corp., that lets 80386-based machines run more than one job at a time. Software is the programs that control the operation of a computer.

Compaq said its new Portable 386/Model 40 weighs 20 pounds (about 9 kilos) and is equipped with one megabyte of random access memory and 40 megabytes of fixed disk storage. It is priced at \$7,999.

The Portable 386/Model 100, priced at \$9,999, comes with 100 megabytes of fixed storage.

## Porsche Revenue, Hit by Currency Fluctuations, Fell More Than 4% in Year

**STUTTGART** — Luxury automaker Porsche AG, blaming sharp currency fluctuations for a slowdown in the crucial U.S. market, reported Tuesday that worldwide revenue fell more than 4 percent last year.

It said that as a result it would go upmarket in the United States, concentrating on its top range 911 and 928 models.

Porsche said that worldwide revenue in the year to Aug. 1 slipped to 3.41 billion Deutsche marks (\$1.87 billion) from 3.57 billion DM the year before.

It gave no figure for profits but described them as satisfactory despite adverse currency movements and lower sales and revenue.

The company publishes figures in February. Last year net profit fell to 75.3 million DM from 120.4 million the year before.

Porsche said actual sales in the United States accounted for 62 percent of total sales.

It said that demand declined in markets outside the United States, including the domestic market. Exports accounted for 81 percent of total group turnover after 78 percent the previous year.

Porsche sold 49,976 cars worldwide in 1986-87, down from 53,254 the year before. Foreign sales rose to 42,132 from 41,194, and domestic sales fell to 7,844 from 11,340.

A company spokesman said Porsche planned to cut average daily production of its four-cylinder 924 and 944 models to 100 from 134, but would boost production of its classic six-cylinder 911, which is undergoing a face-lift.

Since the family-owned firm attaches great importance to exclusivity, cutting back numbers should be seen as a positive sign, several analysts said.

"It makes sense for Porsche to cut back on the 924 and 944 models and concentrate on the top end of the luxury car market," said Adrian Brundrett, car analyst at Citibank AG in Frankfurt.

Industry analysts said the other West German luxury car makers, Daimler-Benz

AG, which makes Mercedes, and BMW AG, were less reliant on the United States for sales than Porsche.

"Porsche is over-exposed in the United States," said Stephen Reisman, an auto analyst at London brokers UBS-Phillips & Drew.

Daimler and BMW have already retreated to the top-end of the U.S. market.

Daimler's 1987 U.S. sales are expected to rise to around 100,000 and BMW is likely to improve sales to 100,000 from 96,800, according to some analysts.

But Porsche sales are expected to fall 15 percent from 30,500 cars sold in 1986, they predicted.

## Brierley's Equity & Law Bid Is Raised to £457 Million

**LONDON** — Brierley Investments Ltd., a New Zealand-based financial group, said Tuesday that it has raised its bid for Equity & Law PLC to 450 pence (739 cents) a share, valuing the British insurance company at about \$457 million.

Its cash bid, raised from 365 pence or £367 million offered on Sept. 4, follows acceptance last week by the British company's board of a sweetened bid of 446 pence by Compagnie du Midi, a leading French insurer.

With investors apparently expecting a higher counter bid, Equity & Law's share price on the London Stock Exchange jumped 20 pence to 455 pence Tuesday from its Monday finish.

Midi's offer, comprising shares valued at \$449 million or a full cash alternative of 435 pence, topped its earlier bid of 400 pence a share made after the first Brierley offer. Equity & Law had immediately rejected the first two bids.

Brierley owns 29.6 percent of Equity & Law through its unit IEP Securities Ltd. Midi is bidding through its British subsidiary, Compagnie du Midi U.K. Ltd.

Brierley said the offer was conditional on 50 percent acceptance from Equity & Law shareholders.

Brierley said it envisaged that Equity & Law's management would remain in place.

The British company had pretax profit of £8.3 million last year, on premium and investment income of £56.8 million.

## Blue Arrow Issue Is Below Target

**LONDON** — Blue Arrow PLC, the British employment agency group, said Tuesday that its related rights issue of £837 million (\$1.37 billion) received fewer-than-expected shareholder acceptances of 48.9 percent.

Blue Arrow, which had predicted 70 percent acceptance rate, offered shareholders five new shares for every two held at 166 pence each. It was the largest British rights issue from a company outside the oil sector, surpassing National Westminster Bank PLC's \$1.4 billion issue in May 1986.

Blue Arrow shares traded as high as 170 pence Tuesday morning, and the company said that the remainder of the \$837 million new shares will be sold on the London Stock Exchange at an average price of 162.25 pence.

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system. A system that could satisfy their immediate needs, but could also grow, and fast. There would be no time for software conversions. And, if that system wasn't in place on time, that window of opportunity would slam shut.

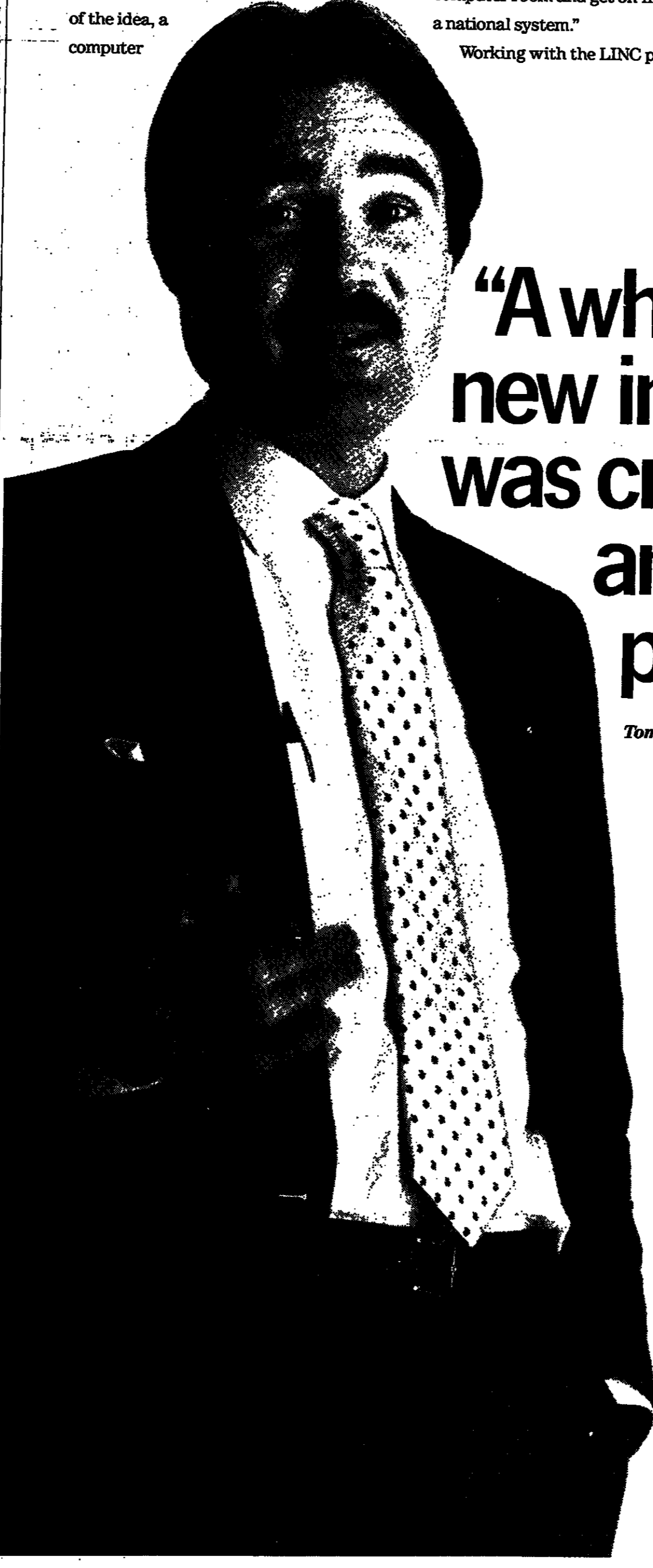
"We started working with HSN in April 1985. They were scheduled to go national on July 1, 1985. There were three months to rewrite an application, build a computer room and get on-line with a national system."

Working with the LINC productivity

tool and nine Unisys professionals, HSN had a working application in 90 days. In the next 18 months, they'd grown from zero revenue to almost \$700 million. "And they'd grown from our smallest mainframe to our largest computers. It's been incredible."

"But, you know what really won us the business: Unisys' entrepreneurial attitude and a willingness to get things done. We accepted our challenge to be a part of the whole plan."

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Tom Leffler, Marketing Manager, Unisys.

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**The Sow Cycle**

When a bond-market break gets farmers spent about credit-crunch rates, the swiftest way for many of them to get cash is to ship hogs. If they're necessarily nervous, or when bonds were recently below \$2, they'll add breeding sows to their shipments so that an interim gain becomes on finance shortage. Leveraged profit potential in loose pork hedges is covered in current Indigo studies—available with our compliments if you'll write, telephone or tele.

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The quarterly report as of 30th June, 1987 of

**Leveraged Capital Holdings N.V.**

has been published and may be obtained from  
**PIERSON, HELDRING & PIERSON N.V.**  
Amsterdam

**VIKING FUND SICAV**  
Registered Office: 2535 Luxembourg  
20 Boulevard Emmanuel Servais.

Notice is hereby given that an  
**EXTRAORDINARY GENERAL MEETING**  
of Shareholders will be held at the registered office of the Company, 20, Boulevard Emmanuel Servais, 2535 Luxembourg, on October 19th, 1987, at 9:00 a.m., with the following agenda:

- Presentation of the company and future prospects;
- Acceptance of the resignation of three Directors;
- Discharge to be given to those three Directors for the period ending on the day of the Extraordinary General Meeting;
- Change in the number of Directors from five to three;
- Election of one new Director;
- Mandate to be given to the Board of Directors to realize the restructuring of the company and mainly:
  - Change its investment policy;
  - Change the Prospects for the offer of shares in the company;
- Miscellaneous.

To validly vote in person or by proxy at this Extraordinary General Meeting of Shareholders, registered shareholders must notify, in writing the Company at its address, 20, Boulevard Emmanuel Servais, 2535 Luxembourg, of their intention to be present or represented at the meeting, at least eight business days before the date of the Extraordinary General Meeting together with a proxy, if any.

Furthermore, registered shareholders, or their proxy shall have to produce their registered certificate(s) to be admitted to the meeting.

On behalf of the Company,  
**BANQUE PRIVÉE EDMOND DE ROTHSCHILD S.A.**  
Luxembourg Branch  
20, Boulevard Emmanuel Servais  
2535 Luxembourg

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Chg. Includes various stock symbols and their prices.

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U.S. Futures

Via The Associated Press

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Includes various futures contracts like Wheat, Corn, Soybeans, etc.

Season High Season Low

Table with columns: Season High, Season Low, Open, High, Low, Close, Chg. Includes various futures contracts like PORK BELLIES, COFFEE, etc.

MUNICIPAL BONDS (CBT)

Table with columns: Maturity, Bid, Ask, Yield, Price. Includes various municipal bond listings.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Chg. Includes various stock symbols and their prices.

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Currency Options

Table with columns: Philadelphia Exchange, Underlying Price, Call, Put, Last. Includes various currency option listings.

Financial

Table with columns: US Treasury Bills, US Treasury Bonds, etc. Includes various financial instrument listings.

Stock Indexes

Table with columns: SP Comp. Index, NYSE Comp. Index, etc. Includes various stock index values.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Week High, Low, Close, Chg. Includes various stock symbols and their prices.

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Large vertical advertisement on the right side of the page, featuring the text 'See's', 'Bid Raised', and 'China's business'.

Hughes Sees 'Satellite' Phones in '92

By Jacques Neber
Special to the Herald Tribune
PARIS — Hughes Aircraft Co. has made progress on a technology that may allow it to launch satellite-based mobile telephone service in 1992 over an area as large as the United States or Europe.

from one district, or cell, to another as a car moves through the city. The Hughes system would depend on a geostationary satellite that would bounce microwave phone signals to and from cars equipped with a special antenna. The antenna, only a few inches in diameter, would be embedded in the roof of the car.

another could provide mobile phone calls across the Atlantic Ocean. Charles Schelke, a telecommunications industry analyst for Smith Barney in New York, called the Hughes announcement "intriguing," but said he doubted that such a system would be cheaper to operate than land-based cellular phones.

Fiat Profit Rose 10.3%, Sales 38.6% in Half

Special to the Herald Tribune
ROME — Fiat SpA said Tuesday that pretax profits rose 10.3 percent to 1.83 trillion lire (\$1.38 billion) in the six months to June 30 from 1.65 trillion a year earlier, but forecast a slowdown in the second half because of increased tax on cars.

Floating-Rate Notes

Table with columns: Issuer/Note, Common, Bid, Ask. Lists various floating rate notes from issuers like Citicorp, Citicredit, and others.

Deutsche Marks

Table with columns: Issuer/Note, Common, Bid, Ask. Lists various Deutsche Mark notes from issuers like Citicorp, Citicredit, and others.

Japanese Yen

Table with columns: Issuer/Note, Common, Bid, Ask. Lists various Japanese Yen notes from issuers like Citicorp, Citicredit, and others.

Guinness Peat Says Equiticorp Has Control

The Associated Press
LONDON — The merchant bank Guinness Peat Group PLC conceded Tuesday that Equiticorp Holdings Ltd., a New Zealand-based financial services company, had won effective control.

Salomon: Reolon's Perelman Seeks a Large Stake

(Continued from first finance page)
Officials of Salomon are said to have been conducting negotiations with Mr. Perelman almost until the announcement Sunday that Mr. Buffett had bought an interest in the company.

ART: Dayton Bid Raised

(Continued from first finance page)
Dayton bid raised after first finance page. Details about the bid and the company's financial situation.

Guinness Peat Says Equiticorp Has Control

Mr. Kerr-Dineen said Guinness Peat's opposition to the Equiticorp takeover offer had been at least partially successful in getting the bid raised from an initial 110 pence to 115 pence.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 29th Sept 1987

Large table listing international funds with columns for fund name, currency, and price. Includes sections for Sterling, Pounds Sterling, and other funds.

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**Tuesday's AMEX Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High Low	Stock	Dr. Yld. PE	52 High Low	Class	Open	Close	Chg
11 1/2	BAT	2 1/2	27 1/2	24	11 1/2	11 1/2	+
11 1/2	BBT	2 1/2	27 1/2	24	11 1/2	11 1/2	+
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Finland F.M.	(09) 60 30 30	1,730	950	520	41%
France F.F.	05 650 980	1,500	820	450	41%
Germany* D.M.	0130 56 23	580	320	175	41%
Gr. Britain £	**	130	72	40	40%
Greece Dr.	**	22,000	12,000	6,600	45%
Ireland £.Ir.	**	150	82	45	45%
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CURRENCY MARKETS

Dollar Sharply Higher as Yen Suffers

By Our Staff From Dispatches
NEW YORK — The dollar sharply higher Tuesday, regaining its strength in Japan's currency markets...

London Dollar Rates

Table with columns: Currency, Twa, Mon. Includes Deutsche mark, Swiss franc, Japanese yen, French franc.

New York, the dollar closed at 144.20, a six-week high, and up 44.35 on Monday. Overnight, the dollar had risen to 144.20, up from Monday's 144.20.

The dollar was generally higher in London, but eased from six-week highs during late trading, dealers said, partly because of comments from Karl Otto Pohl, the Bundesbank president...

Earl Johnson of Harris Trust & Savings Bank in Chicago. In London, the dollar closed higher at 1.8400 DM, from 1.8245 on Monday...

Dealers said that British authorities were keeping a watchful eye on the pound, determined to prevent its gathering strength from harming British exports...

On a trade-weighted basis against a basket of currencies the pound closed at 73.1 of its 1975 value compared with Monday's 51.2.

Mr. Pohl's comments underlined market concern that West Germany and Japan are not prepared to stimulate their economies further to reduce the U.S. deficit...

Earlier in Europe, the dollar was fixed in Paris at 6.1318 French francs from 6.0835. In Zurich, the dollar closed at 1.5258 Swiss francs, up from 1.5130.

Taiwan Stocks In Record Drop As Credit Is Cut

Agency France-Press

TAIPEI — Prices on the Taiwan Stock Exchange plummeted Tuesday in reaction to credit-tightening measures announced on Saturday...

Brokers said the plunge, which knocked the index to 4,318.23 from a record 4,471.62 on Saturday, followed a decision by the local Securities and Exchange Commission...

Liquidity from a huge trading surplus is main reason for the market, closed Monday for a holiday, has been rising.

The drop came on record volume of 32.9 billion Taiwan dollars (\$1.09 billion). But an exchange official said that 90 stocks, more than half the 133 stocks listed, ended higher.

NONWORKERS: As U.S. Jobs Multiply, Millions Feel Work Doesn't Pay

(Continued from first finance page)

is unwilling to seek a low-wage restaurant job. "That is work for kids, not for an older woman with responsibilities," she declared.

So Mrs. Nieves will stay out of the job hunt, and out of the Labor Department's unemployment statistics, getting by on her husband's wages (he earns \$8.50 an hour fixing sewing machines at Fidelity) and on help from three grown children.

Millions of nonworkers and marginal workers are among the more than 20 million Americans living in poverty.

One condition feeds on the other, with overcrowded housing, poor health, lack of child care and isolation in city slums all serving as barriers to work.

Higher wages might help. In fact, E.T. Choice, a federally funded job-training program in Boston, aims at placing its clients, most of them single mothers on welfare, in jobs paying above \$6.50 an hour, or \$13,500 a year.

These women want to work, but at lower pay than this, racismism is high," said Thomas Glynn, a deputy commissioner of the Massachusetts Public Welfare Department, who runs the program.

Apart from the education and pay issues, employers resist dealing with people long out of jobs. "The big problem is that no one is knocking on the doors of these hard-core people and saying here is opportunity," said Mr. Glynn.

Resistance by employers takes several forms. A number of potential executives are reluctant to hire anyone without a high school diploma or previous job experience.

And only a handful of companies, even in Boston, train people to qualify for entry-level jobs, or to advance once they are in them.

In a service economy, there are other requirements, too. Even the lowest-paid, least-skilled employees must deal with customers, and management often insists on "a basic standard of appearance."

"You have to look good, be able to spell, not be too fat, have all your teeth — and all that for \$5 an hour."

A social agency official

demons, someone who at least comes to understand the idea of middle class. Even a fast-food restaurant wants someone who not only can dish up the soup, but can smile and talk.

Such people also have to be available for work. That is a huge issue among the growing number of single mothers, who worry that salaries would not be high enough to offset the loss of welfare payments and the outlay for child care.

In Massachusetts and New York, for example, a mother with two children making \$750 a month — about \$4.25 an hour — could see her cash go out to \$120 a month, from \$550, and eliminated entirely after four months.

Medicaid, however, continues for an additional five months in every state, and in some up to 11 months.

All of this adds up for mothers who are fearful of trading welfare benefits for low-wage jobs that will not release them from poverty, said Barbara Sard, a lawyer for Greater Boston Legal Services and a lecturer on welfare law at Harvard Law School.

"The loss of Medicaid especially is a big deterrent," she said. The system also fails to meet the needs of mothers who have to drop out of job because their children become ill, or who want to rear their children themselves and work part-time.

"What we need is a fluid system that allows for work, part or full-time, with sufficient income supplementation," Ms. Sard said.

That potentially more costly approach is not the thrust of the welfare bills now in Congress.

None makes noticeable changes in the payment formulas. The best-known legislation written by Senator Daniel Patrick Moynihan, Democrat of New York. His proposal would require welfare mothers to take jobs even though they lose welfare benefits as their private incomes rise.

What Mr. Moynihan would add to the welfare pot, for the first time, is what he envisions as an unlimited flow of funds for job training. The Congressional Budget Office estimates the cost of the training at \$2.3 billion over five years.

The condition of welfare mothers now is such a nightmare of poverty that work can only be an improvement," Mr. Moynihan said. "And if they do it, in time their lot will improve, particularly with the job training provision."

Thus far, most of the publicly funded job training has been channeled not through the welfare system but through such programs as the Job Corps, the Private Industry Council, E.T. Choice in Boston and various other social service agencies.

The training is primarily in basic skills, such as reading and math, to prepare people for jobs beyond the sort of counter work available in a fast-food restaurant at \$4 or \$5 an hour.

Unemployment Falls... Table with columns: Year, Number of unemployed, Percentage. 1983: 16.7 million, 8.3%.

Table with columns: Year, Number of unemployed, Percentage. 1984: 8.5 million, 7.4%.

Table with columns: Year, Number of unemployed, Percentage. 1985: 8.3 million, 7.4%.

Table with columns: Year, Number of unemployed, Percentage. 1986: 8.3 million, 6.9%.

Table with columns: Year, Number of unemployed, Percentage. 1987: 7.3 million, 6.0%.

Table with columns: Hours worked, Number of workers. Full time: 4.5 million.

Table with columns: Hours worked, Number of workers. Part time: 5.0 million.

Table with columns: Hours worked, Number of workers. Part time: 4.4 million.

Table with columns: Hours worked, Number of workers. Part time: 4.4 million.

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Tuesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table A: OTC stock prices including ADC, ACT, ACTI, ACTM, ACTN, ACTO, ACTP, ACTQ, ACTR, ACTS, ACTT, ACTU, ACTV, ACTW, ACTX, ACTY, ACTZ.

Table B: OTC stock prices including ADF, ADG, ADH, ADI, ADJ, ADK, ADL, ADM, ADN, ADO, ADP, ADQ, ADR, ADS, ADT, ADU, ADV, ADW, ADX, ADY, ADZ.

Table C: OTC stock prices including AEA, AEB, AEC, AED, AEE, AEF, AEG, AEH, AEI, AEJ, AEK, AEL, AEM, AEN, AEO, AEP, AEQ, AER, AES, AET, AEU, AEV, AEW, AEX, AEY, AEZ.

Table D: OTC stock prices including AFA, AFB, AFC, AFD, AFE, AFF, AFG, AFH, AFI, AFJ, AFK, AFL, AFM, AFN, AFO, AFP, AFQ, AFR, AFS, AFT, AFU, AFV, AFW, AFX, AFY, AFZ.

Table E: OTC stock prices including AHA, AHB, AHC, AHD, AHE, AHF, AHG, AHI, AHJ, AHK, AHL, AHM, AHN, AHO, AHP, AHQ, AHR, AHS, AHT, AHU, AHV, AHW, AHX, AHY, AHZ.

Table F: OTC stock prices including AIA, AIB, AIC, AID, AIE, AIF, AIG, AIH, AII, AIJ, AIK, AIL, AIM, AIN, AIO, AIP, AIQ, AIR, AIS, AIT, AIU, AIV, AIW, AIX, AIY, AIZ.

Table G: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table H: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table I: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table J: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table K: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table L: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table M: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table N: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table O: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table P: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table Q: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table R: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table S: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table T: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table U: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table V: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table W: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table X: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

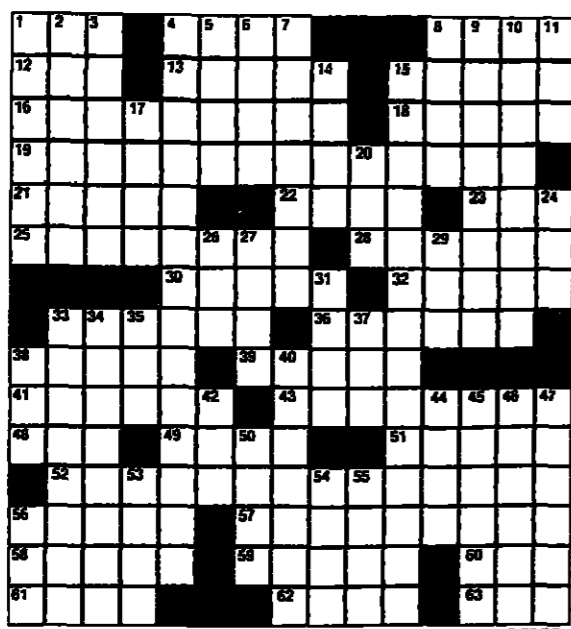
Table Y: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table Z: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

Table AA: OTC stock prices including AJA, AJB, AJC, AJD, AJE, AJF, AJG, AJH, AJI, AJJ, AJK, AJL, AJM, AJN, AJO, AJP, AJQ, AJR, AJS, AJT, AJU, AJV, AJW, AJX, AJY, AJZ.

umber ONE

Tuesday's AMEX Closing. Tables include the nationwide prices and do not reflect late trades elsewhere.



ACROSS
1 Garfield, for one
4 Stockbroker's advice, at times
8 "Old MacDonald"
12 Parshegion of coaching fame
13 Lustraria's under
15 "Work it Out," Beatles hit
16 Noisemaker of sorts
18 Hopping mad
19 Hit song in 1945
21 Rhone feeder
22 Stunted plant, e.g.
23 Wallace or Whitney
25 Latin lass's title
28 Green alga
30 Parisian's "Eureka!"
32 Acropolis sight
33 Famous American twin?
36 Gordon or Duncan
38 Impressive
39 Tomato blight
41 Beauticians' purchases
43 Set loose

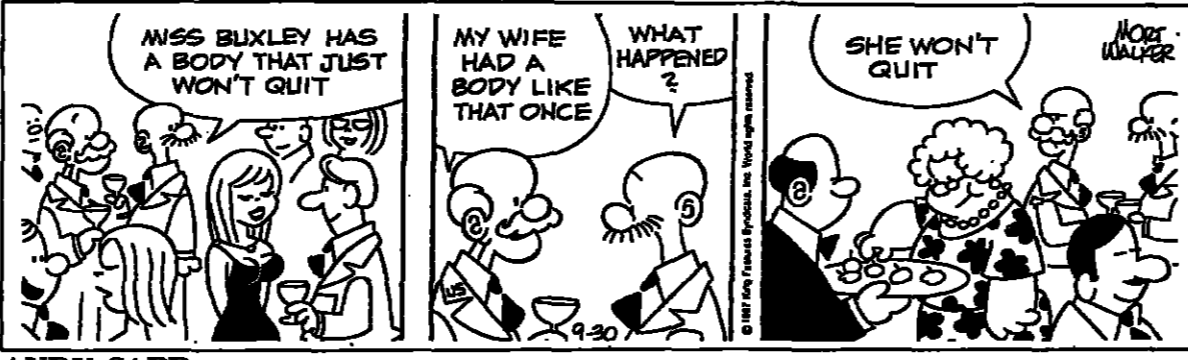
PEANUTS



BLONDE



BEEBLE BAILEY



ANDY CAPP



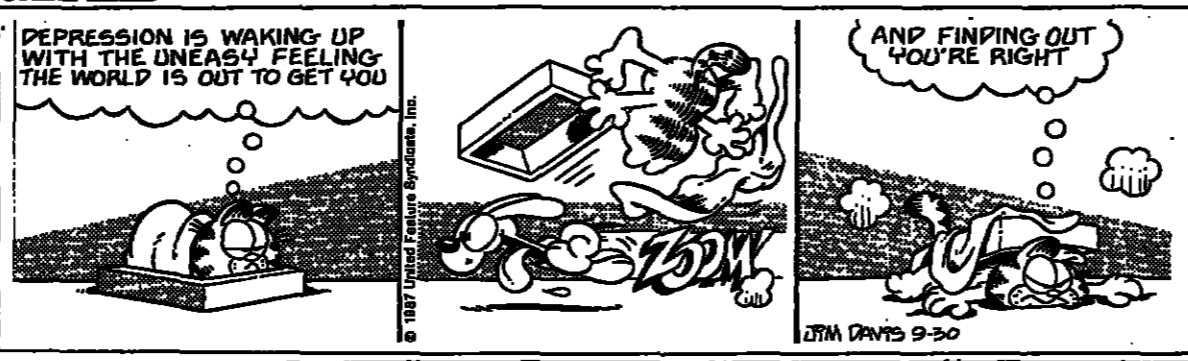
WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four jumbles, one letter to each square, to form four ordinary words.
TASEC
IMERG
CLAIME
STELED
Answer here: A (Answers tomorrow)

WEATHER

Table with weather forecasts for various regions including Europe, Asia, Africa, Latin America, North America, Middle East, Oceania, and Tokyo.

World Stock Markets

Table showing closing prices in local currencies for various stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Paris, Rome, Tokyo, and others.

BOOKS

JAGUARS RIPPED MY FLESH: Adventure Is a Risky Business

By Tim Cahill. 306 pages. \$8.95. Bantam Books Inc., 666 Fifth Avenue, New York, N.Y. 10103. Reviewed by Dennis Drabell

REVERENCE is a specialty of Tim Cahill's generation, and he ranks among its sports. One of the writers who helped Rolling Stone's Jane Wamer launch Outside magazine in 1976, Cahill generally steps into the outdoors with tongue in or near cheek, as the title of his new book suggests. The funniest pieces in this collection from the pages of Outside, Geo and other magazines constitute what might be called the Tim Tries Sequence. Rock-climbing, hang-gliding, parachute-jumping, ballooning, cave-exploring, hurricane-eye-flying (as a passenger, not a pilot), Cahill just says yes to them all. His portraits of his subjects are a jumble of knee-slapping snatches whose chief pleasure in life consists of leading him in some new, terrorizing sport. What lifts these pieces above the level of condescendence and high jinks is the quality of Cahill's prose and the depth of his knowledge. He can evoke natural phenomena as vividly as any writer I'm familiar with. This is from his sketch of the devastated earth near post-eruption Mount St. Helens: "The color below is constant, a combination of the brown of the mud and of the black and the yellow-white of the ash. It is like no other color on the face of the earth, and it stretches, constant, from horizon to horizon. It insults the eyes, this color, and it will not allow the mind to fasten upon it. The color excites a sense of honor; it is like looking at the carcass of a skinned animal." His informed explanations of natural processes include why trees split in the bitter cold of a Yellowstone winter (the sap inside them expands when frozen) and how turtles probably evolved ("from a marsh-dwelling lizard that hunched its shoulders forward, protecting its head with hard scales, in case of attack"). The turtle essay, "The Shame of Escobilla," is indeed the book's soul — one of the most effective examples of environmental reporting ever published. Here we see a somber Cahill — no jiving, no mugging — on a visit to a Mexican beach where a local grandee has built a hatchery to save the Olive Ridley sea turtle. Or so it seems. As Cahill stays on the scene, missing his plane home, probing more deeply, certain anomalies crop up. The number of

female turtles hitting the beach for egg sessions has been plummeting in recent years. The hatchery tubs are in use only on the camera crew shows up to film the opening and the bill of slaughtered turtles at the end of the season suggests a quite different picture. Money uncovers some tangles, and Cahill realizes he is dealing with a slaughterhouse. Although the jury is still out on whether the Olive Ridley will recover from the butchery, the species undoubtedly has a chance thanks to Cahill's article.

Dennis Drabell, a Washington writer, has this review for The Washington Post.

BEST SELLERS

- List of best-selling books including 'Presumed Innocent' by Scott Turow, 'Patriot Games' by Tom Clancy, 'Legacy' by James A. Michener, 'Sardis' by Edmund Spenser, 'Mystery' by Stephen King, 'Freedom' by Wilson Sifers, 'Relocated' by Tom Montanari, 'Wings No More, My Lady' by Mary Higgins Clark, 'Dirk Gently's Holistic Detective Agency' by Douglas Adams, 'The Five Bells and Bladestone' by Martin Grimes, 'The Prince of Tides' by Pat Conroy, 'The Song of Solomon' by Toni Morrison, 'Postcards from the Edge' by Carrie Fisher, 'The New Breed' by E.R. Godwin, 'The Haunted Mesa' by Louis L'Amour.

NONFICTION

- List of non-fiction books including 'Spycatcher' by Peter Wright with Paul Greengrass, 'The Closing of the American Mind' by Allan Bloom, 'It's All in the Playing' by Sidney M. Goldstein, 'The Great Depression of 1990' by Paul Baran, 'Cultural Literacy' by E.D. Hirsch Jr., 'The Art of the House: The Life and Political Memoirs of Speaker Tip O'Neill' by William Novak, 'Straight on Till Morning' by Gregory L. Toppo, 'Love, Medicine & Miracles' by Benita S. Lopez, 'Call Me Anna' by Fazy Dolis and Kenneth Turner, 'Family: The Ties That Bind' by Emma Bonaccini, 'The Making of "The African Queen"' by Katherine Hepburn, 'The Spy Who Came from the Cold' by John le Carré, 'The Different Drum' by M. Scott Peck, 'Advice, How-to and Miscellanea' by Webster's Ninth New Collegiate Dictionary, 'The 7 Week Cholesterol Cure' by Robert E. Kowalski, 'How to Marry the Man of Your Choice' by Margaret Kay, 'Webster's Ninth New Collegiate Dictionary' by Simon & Schuster, 'The 35-Plus Diet for Women' by Jean Parry Spodick and Barbara Gibbons.

Solution to Previous Puzzle: BASS LETUP EDNA OLLA ORINO TROT STILL WATER HIRT NEPALESE CHANDU DARE THINK ASTON RAIH NEWER MARION LOST AVE AXEL OPERA PTAS ZOA AMOR TALENT ENDED ETH TERSE WRIST ELLA SPARTA TREASURE IOTA SHEARWATER GLEN HELLO NATS HERD ALADY TREE

BRIDGE

By Alan Truscott

ANYONE who wishes to raise money for a charity should consider following a recent English example. An accounting group was host of a bridge tournament to which 100 senior financial executives were invited, and generated some \$16,000 for the Princes Trust, which is headed by the Prince of Wales, and was established in 1976 to provide assistance to Britain's disadvantaged youth. Many of the financiers who bid to six spades on the diagrammed deal survived a slight misplay. The auction shows a solution to a familiar bidding problem: how to raise a major suit opening with balanced distribution and opening values. The English style is to bid another suit and then jump to

BRIDGE

game, the "delayed game raise." Americans who have abandoned the traditional forcing jump usually designate either two no-trump or three no-trump as an artificial strong raise. The best lead was a trump, and the declarer who natively drew three trumps were doomed. Those who saw the need for ruffs played diamonds quickly and survived. The interesting question was whether it was fatal to draw a second round of trumps, leaving one at large. On the face of it, South survives because West cannot gain the lead to play a third round of trumps and cut down the impending ruffs. But Barry Rigby, a young English expert, pointed out that South can be punished for his misplay. On the second round of trumps, East must execute the "Empire" strategy by discarding the diamond. The declarer cannot afford to discard the diamond and play the ace of hearts. The bidding: North: 1♠, 2♣, 3♦, 4♥, 5♠, 6♠, 7♠, 8♠, 9♠, 10♠, 11♠, 12♠, 13♠, 14♠, 15♠, 16♠, 17♠, 18♠, 19♠, 20♠, 21♠, 22♠, 23♠, 24♠, 25♠, 26♠, 27♠, 28♠, 29♠, 30♠, 31♠, 32♠, 33♠, 34♠, 35♠, 36♠, 37♠, 38♠, 39♠, 40♠, 41♠, 42♠, 43♠, 44♠, 45♠, 46♠, 47♠, 48♠, 49♠, 50♠, 51♠, 52♠. South: 1♣, 2♦, 3♥, 4♠, 5♠, 6♠, 7♠, 8♠, 9♠, 10♠, 11♠, 12♠, 13♠, 14♠, 15♠, 16♠, 17♠, 18♠, 19♠, 20♠, 21♠, 22♠, 23♠, 24♠, 25♠, 26♠, 27♠, 28♠, 29♠, 30♠, 31♠, 32♠, 33♠, 34♠, 35♠, 36♠, 37♠, 38♠, 39♠, 40♠, 41♠, 42♠, 43♠, 44♠, 45♠, 46♠, 47♠, 48♠, 49♠, 50♠, 51♠, 52♠.

Table with financial data, including stock prices and market indices for various regions.

مكتبة النخيل

SPORTS

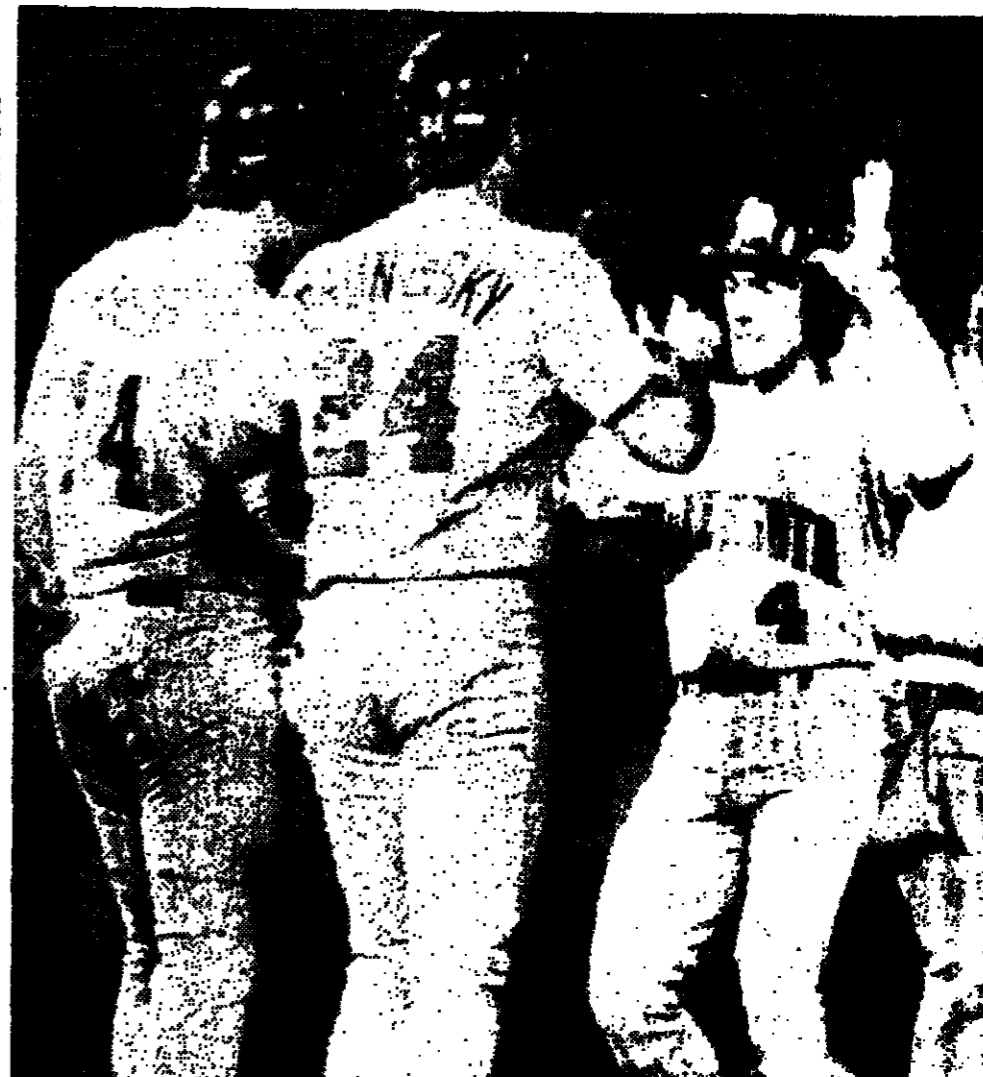
مكتبة الأمل

Twins and Giants Win Western Division Pennants

NEW YORK — The Minnesota Twins and the San Francisco Giants clinched their first divisional titles since 1970 and 1971, respectively, with victories Monday night in Arlington, Texas, Steve Lombarozzi, a career .183 hitter against...

The winners' Jeffrey Leonard and Chili Davis both pinch-hit home runs — No. 100 lifetime for each. After outfielders Davis and Leonard allowed Benito Santiago's routine fly to fall between them for a triple that tied the score, 4-4, in the seventh, Robinson led off the eighth with his homer on a 1-2 pitch from reliever Lance McCullers.

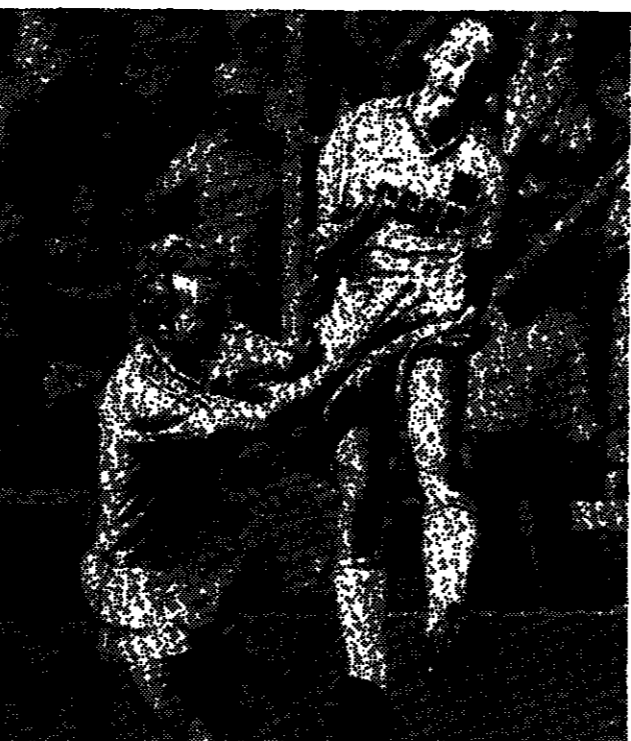
ton, Terry Puhl hit a bases-loaded homer, and Glenn Davis also drove in four runs to lead the Astro rout in four runs to lead the Astro rout in four runs to lead the Astro rout...



Steve Lombarozzi, right, high-fired by Minnesota teammates after his fourth-inning home run.

At the Season's Turn, the Heat's Turned Up

International Herald Tribune LONDON — Europe is back on a hot summer, but from Naples to Glasgow things are approaching the boiling point. I'm not discussing the weather...



The injury-beset Igor Belanov (right, after a World Cup goal against Belgium): Will Dynamo Kiev risk him in Glasgow?

Soumess, a player-manager whose great wealth of talent and experience has boiled down to two long stretches of suspension in his 35th year. Soumess is currently banned from Scottish League games, but leads by example in Europe.

having won by 2-1 at home, they can go to the medieval town of Bergamo in the foothills of the Alps and finish off Atlanta. Not by kicking, not by crudity, but by skill and by will.

Swiss Runner Barred 2 Years For Drug Use

LONDON — Runner Sandra Gasser of Switzerland failed a test for steroids at last month's world track championships and has been barred from international competition for two years, including next summer's Olympics, it was announced Tuesday.

SCOREBOARD

Table with columns for Football and Baseball. Football section lists U.S. College Top 20s and Monday's Major League Line Scores. Baseball section lists AMERICAN LEAGUE and NATIONAL LEAGUE scores.

Some Cracks Are Showing in NFL Strike Solidarity

WASHINGTON — Day Seven of the National Football League strike found management and labor no closer to settlement or even at the bargaining table. But it did find union chief Gene Upshaw traveling around the country to meet with striking players...

Transition

AMERICAN LEAGUE LEAGUE — Howard Lee Brinson, Jim McKean, Al Clark, Duane Harris, Mike Reilly and Drew Coble unites for the playoffs.

Public Favors The Owners

WASHINGTON — A national opinion survey shows Americans overwhelmingly siding with the owners rather than the players in the current National Football League contract dispute.

European Soccer

CUP WINNERS CUP (First Round, Second Leg) Slavia Sofia 0, Vitosha Shiroka 1 (Vitosha Shiroka advances on 4-0 aggregate).

Public Favors The Owners

WASHINGTON — A national opinion survey shows Americans overwhelmingly siding with the owners rather than the players in the current National Football League contract dispute.

Advertisement for Blancpain watches, featuring a large image of a watch and the text 'IB 1735 BLANCPAIN' and 'Since 1735 the oldest name in Swiss watchmaking.'

